



# CALIFORNIA SCHOOL ACCOUNTING MANUAL

2007 EDITION

APPROVED BY THE  
CALIFORNIA STATE BOARD OF EDUCATION

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# CALIFORNIA SCHOOL ACCOUNTING MANUAL

2007 EDITION

Officially approved by the  
**California State Board of Education**  
in accordance with *Education Code* Section 41010  
for required use by California public schools

Prepared under the direction of the  
**School Fiscal Services Division**  
**California Department of Education**



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An illustrated *Educational Resources Catalog* describing publications, videos, and other instructional media available from the Department can be obtained without charge by writing to the address given above or by calling the Sales Office at (916) 445-1260.

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## A Message from the State Superintendent of Public Instruction

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I am pleased to present the 2007 *California School Accounting Manual*, which assists local educational agencies in their crucial tasks of managing the tax dollars invested in education and accounting for those dollars in a way that supports informed decision making. California *Education Code* Section 41010 requires that school districts use systems to record their financial affairs that comply with the definitions, instructions, and procedures published in this manual.

I want to thank those of you at the local level who use this manual and who are responsible for ensuring that we spend our limited education dollars wisely. In these difficult financial times, it is more important than ever that we demonstrate the fiscal accountability and wise stewardship of public funds necessary to achieve our educational goals.

A handwritten signature in black ink, reading "Jack O'Connell". The signature is written in a cursive, flowing style.

JACK O'CONNELL

*State Superintendent of Public Instruction*

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Section 41010 of the *Education Code* requires local educational agencies (LEAs) to follow the definitions, instructions, and procedures in the *California School Accounting Manual (CSAM)*. *CSAM* provides accounting policies and procedures, as well as guidance in implementing those policies and procedures, which include:

- Basis of accounting
- Revenue and expenditure recognition
- Fund types
- Types of transactions
- Methods of posting transactions, including adjusting entries
- Documentation required to substantiate certain transactions
- Year-end closing process, including the recording of accruals and deferrals

For this 2007 edition of the manual, in addition to routine coding updates and clarifying guidance, procedures have been added that address facility maintenance programs, employment separation costs, and consolidation of administrative funds for the No Child Left Behind Act.

Accounting personnel should be familiar with the principles and statements issued by the Governmental Accounting Standards Board (GASB), which is recognized nationally as the primary standard-setting body for governmental accounting. The principles and statements of GASB are available in its publication titled *Codification of Governmental Accounting and Financial Reporting Standards*, available from:

Governmental Accounting Standards Board  
P.O. Box 30784  
Hartford, CT 06150  
(800) 748-0659  
<http://www.gasb.org>

In addition, the Government Finance Officers Association publishes *Governmental Accounting, Auditing, and Financial Reporting*, which provides detailed guidance in applying the principles and statements of GASB. It is available from:

Government Finance Officers Association  
203 N. LaSalle St., Suite 2700  
Chicago, IL 60601-1210  
(312) 977-9700  
<http://www.gfoa.org>

The *California School Accounting Manual* does not provide guidance on every possible transaction. LEAs encountering problems not addressed in the manual should consult GASB's publication or contact their independent auditors, their county office of education, or the California Department of Education, School Fiscal Services Division, (916) 322-1770, for technical assistance.

Suggestions and comments about the information in this manual should be directed to:

School Fiscal Services Division  
Office of Financial Accountability and Information Services  
California Department of Education  
1430 N Street, Suite 3800  
Sacramento, CA 95814  
Phone: (916) 322-1770  
E-mail: [sacsinfo@cde.ca.gov](mailto:sacsinfo@cde.ca.gov)



**T**he resource code is used to classify revenues and resulting expenditures in accordance with restrictions or special reporting requirements placed on either of these aspects of LEA financial activities by law or regulation. Further, because such revenues frequently are not fully expended within a fiscal year and related liabilities are not completely liquidated, the resource code is also used to reflect restrictions and special reporting obligations on balance sheet accounts.

## **How the Resource Field Is Used**

### **Resource and Revenue Object Accounts**

The resource field allows LEAs to account separately for activities funded with revenues that have restrictions on how the funds are spent (e.g., NCLB, Title I) and for activities funded with revenues that have financial reporting or special accounting requirements (e.g., State Lottery).

Restricted revenues are those funds received from external sources that are legally restricted or that are restricted by the donor to specific purposes. Unrestricted revenues are those funds whose uses are not subject to specific constraints and that may be used for any purposes not prohibited by law. Programs funded by a combination of restricted and unrestricted sources will be accounted for and reported as restricted.

Funds or activities that are not restricted or designated by the donor, but rather by the LEA's governing board, will be accounted for and reported as unrestricted. LEAs will need to review local revenues received from external sources to determine whether legal or donor restrictions apply for purposes of accounting for them as restricted or unrestricted.

Restricted revenues are accounted for in resource codes in the 2000–9999 range. Revenues whose use is unrestricted in nature but which still have reporting requirements are accounted for in unrestricted resource codes in the 1000–1999 range. Those activities using unrestricted revenues that do not have financial reporting or special accounting requirements are accounted for in Resource 0000, Unrestricted.

In combination with the resource code, the revenue object code further classifies revenues by source: revenue limit, federal, state, and local. This identification is useful because an activity or project may be funded with revenues from federal, state, and local sources. For example, a restricted federal program could also have revenues from state and/or local sources.

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## Procedure 310      Resource (Project/Reporting) Classification

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The resource code allows related expenditures to be grouped for reporting and information purposes.

A single source of revenue that must link to expenditures will have:

- A unique resource code
- A generic revenue object code (such as Object 8290, Other Federal Revenues)

For example:

<u>Resource</u>	<u>Object</u>
3010	8290
NCLB, Title I	Other Federal Revenues

Two or more specific sources of revenues, which must link to expenditures in the aggregate, will have:

- A unique resource code
- A separate revenue object code for each type of revenue associated with that resource

For example:

<u>Resource</u>	<u>Object</u>
5310	8220
Child Nutrition	Federal Child Nutrition
School Programs	
	8520
	State Child Nutrition
	8634
	Local Food Service Sales

Many revenue object codes may be used with more than one resource code. For example, Revenue Object 8281, FEMA, uses Resource 5652 and Resource 5650 for FEMA revenues for which reports to the federal government are required.

### Resource and Balance Sheet Accounts

The resource field also applies to balance sheet accounts. At year-end the resource field will identify the ending balance of restricted resources (e.g., Special Education, ROC/P, Instructional Materials, County

Community Schools, Juvenile Court). This field will also identify deferred revenues and the amounts due to other governmental agencies (e.g., NCLB, Title I, Vocational Education, Special Education discretionary grants).

Depending on how the LEA's financial system is programmed, balance sheet accounts such as Cash and Accounts Payable may include the resource field at the time of the transaction or may be identified as a part of year-end closing procedures. However, when year-end data are submitted to the California Department of Education (CDE), the balance sheet accounts must be identified by resource because at the state level, the resource field is used to separate the unrestricted general fund from the restricted general fund. If the balance sheet accounts have not been posted with the resource field during the year, the unrestricted and restricted accounts will be out of balance, and an additional closing entry will be needed before the information is submitted to CDE.

For example, when the accounts payable staff pays the LEA's bills, the detailed expenditure transaction (the debit) is entered into the financial system by the accounts payable staff; however, the entry to the cash account (the credit) is usually an automatic entry made by the financial system.

Most financial systems have been programmed to post any automatic balance sheet entries to the resource field. LEAs using these systems will automatically have all balance sheet transactions posted to the resource field, and no additional entry is needed at year-end.

Some financial systems may not be programmed to post automatic balance sheet entries to the resource field. In these LEAs, for state reporting purposes, the unrestricted and restricted general funds will be out of balance and an entry must be made to cash to balance the restricted and unrestricted resources. (Example 3 in Procedure 605 illustrates how an LEA would prepare this entry.)

### **Table of Resource Codes**

The Table of Resource Codes contains the resources in numerical order with the most commonly associated revenue object codes, their number from the *Catalog of Federal Domestic Assistance (CFDA)*, and a D/F designation. Depending on the conditions placed on the receipt or expenditure of certain restricted funds, the revenue of a restricted program is recognized in the period in which it is received, and at year-end the unspent balance, or carryover, is reflected as ending balance.

These resources are indicated with F (fund balance). The revenue of other restricted resources is recognized in the period when expended, and carryover is recorded as deferred revenue. These resources are indicated with D (deferred revenue).

CDE maintains a standardized account code structure (SACS) query that provides the most current information regarding resources, including new resources established subsequent to the release of this manual. In addition, a comprehensive list of the program cost accounts (PCAs) assigned by the CDE Budget Office and associated with the resources is maintained and updated periodically with the SACS validation table updates. The reference tools are located on the SACS Web page under "Program Codes" at:

<http://www.cde.ca.gov/fg/ac/ac/>

### **Obsolete Resource Codes**

If a resource becomes obsolete, it will appear in the Table of Resource Codes for one year with its final fiscal year in parentheses next to the title. For example, a resource with "(05-06)" in the *California School Accounting Manual* indicates that the last year that funding was available for this resource was fiscal year 2005-06. This resource code would then be eliminated in the subsequent edition of *CSAM*. LEAs may need to maintain this resource code in their general ledger to track carryover of balances for a longer period. Therefore, the resource code will remain in the matrix of valid combinations for a period of three years subsequent to the fiscal year in which funds were available for that resource. In the previous example, the resource would remain in the matrix for fiscal years 2006-07, 2007-08, and 2008-09 to allow for expenditure of carryover balances.

## **Flexibility of the Resource Field**

Resource codes are assigned by CDE just as PCA codes are assigned by CDE's Budget Office. Generally, CDE assigns resource codes only to funding sources administered by CDE. Thus, an LEA receiving program funding directly from the United States Department of Education will establish a locally defined federal resource in the Other Federal: Locally Defined range (5800–5999).

The LEA may not create its own locally defined resource codes except within the following specified ranges:

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0001–0999	Unrestricted: Locally Defined
4230–4250	Bilingual Education, Discretionary Grants
4310–4330	School-to-Work
4410–4430	Educational Technology
4710–4730	Gifted and Talented Education (federal)
5210–5240	Head Start
5800–5999	Other Restricted Federal: Locally Defined
7701–7799	State School Facilities Funds
7800–7999	Other Restricted State: Locally Defined
9000–9999	Other Restricted Local: Locally Defined

*Note:* The range 9000–9999, Other Local: Locally Defined, including Resource 9010, Other Restricted Local, is used only for local revenue that is restricted by the donor or by law for specific purposes. Unrestricted local revenue, including unrestricted amounts "restricted" by the LEA or designated by the governing board, should be reported using the range 0001–0999, Unrestricted: Locally Defined.

When data are submitted to CDE, all resources within these ranges must be rolled up to the one resource indicated for each in the Table of Resource Codes.

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## Procedure 310    Resource (Project/Reporting) Classification

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### Table of Resource Codes

*(Italicized codes are optional.)*

(See previous section for explanation of table references.)

Resource Code	Resource Description	Revenue Object	D/F	CFDA
<b>0000–1999</b>	<b>UNRESTRICTED RESOURCES</b>			
0000	Unrestricted	8010– 8099, 8110 8260 8270 8280 8281 8290 8425 8434 8540 8550 8590 8631 8632 8639 8660 8671 8672 8674 8689 8691 8699 8910– 8919, 8980		
0001–0999	Unrestricted: Locally defined These codes are used at the option of the LEA to track unrestricted revenues that do not have reporting requirements. For CDE reporting, these accounts are converted to account 0000.			
<b>1000–1999</b>	<b>Unrestricted Resources: Reporting or Special Accounting Required</b>			
1100	State Lottery	8560	F	
<i>1200</i>	<i>Class Size Reduction, Grade Nine</i>	<i>8435 8980 8990</i>	<i>F</i>	

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Resource Code	Resource Description	Revenue Object	D/F	CFDA
1300	<i>Class Size Reduction, Grades K–3</i>	8434 8699 8980 8990	F	
<b>2000–9999</b>	<b>RESTRICTED RESOURCES</b>			
<b>2000–2999</b>	<b>Restricted Revenue Limit Resources</b>			
2200	Continuation Education ( <i>Education Code</i> sections 42244 and 48438)	8091	F	
2400	Juvenile Court/County Community Schools	8091	F	
2410	<i>Juvenile Court</i> ( <i>Education Code Section 1982.5</i> )	8091	F	
2420	<i>County Community Schools</i> ( <i>Education Code sections 1980–1982.3</i> )	8091	F	
2430	Community Day Schools ( <i>Education Code</i> sections 48660–48667)	8091	F	
2900	Other Restricted Revenue Limit Sources	8091	F	
<b>3000–5999</b>	<b>Federal Resources Restricted</b>			
3010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	8290	D	84.010
3012	NCLB: Title I, Part A, Program Improvement School Assistance and Intervention Teams (SAIT)	8290	D	84.010
3013	NCLB: Title I, Part A, School Improvement SAIT Corrective Action Plans	8290	D	84.010
3015	IASA: Title I, Capital Expenses/Private Schools (04/05)	8290	D	84.216
3020	NCLB: Title I, Basic School Support	8290	D	84.010
3025	NCLB: Title I, Part D, Local Delinquent Programs	8290	D	84.010 84.013
3030	NCLB: Title I, Part B, Reading First Program	8290	D	84.357
3035	NCLB: Title I Local Improvement Plan, Regional School Support, and Improvement Centers	8290	D	84.010
3040	NCLB: Title I, Migrant Ed Mini Corps Project (Regular and Summer)	8290 8990	D	84.011
3041	NCLB: Title I, Migrant Ed Mini Corps Summer Project	8990	D	84.011
3045	NCLB: Title I, Migrant Ed Statewide PASS Project	8290	D	84.011
3060	NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)	8290 8990	D	84.011
3061	NCLB: Title I, Migrant Ed Summer Program	8990	D	84.011
3090	NCLB: Title I, Part D, Adult Correctional	8290	D	84.013
3100	NCLB: Title I, Juvenile Delinquent	8290	D	84.013
3105	NCLB: Title I, Even Start Family Literacy	8290	D	84.213

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**Procedure 310      Resource (Project/Reporting) Classification**


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<b>Resource Code</b>	<b>Resource Description</b>	<b>Revenue Object</b>	<b>D/F</b>	<b>CFDA</b>
3110	NCLB: Title I, Part C, Even Start Migrant Ed (MEES)	8290	D	84.011
3150	NCLB: Schoolwide Programs (SWP)	8290 8990	D	84.010
3155	NCLB: Consolidated Administrative Funds	NA	NA	NA
3170	NCLB: Title I, Part F, Comprehensive School Reform (CSR)	8290	D	84.332
3171	NCLB: Title I, Program Improvement & School Choice	8290	D	84.348
3172	NCLB: Title I, Achieving Schools Award	8290	D	84.010
3175	NCLB: Title I, Part A, Program Improvement District Intervention	8290	D	84.010
3176	NCLB: Title I, Part A, Program Improvement District Supplemental Grants	8290	D	84.010
3177	NCLB: Title I, Part A, Prevention of Local Educational Agency Intervention Program	8290	D	84.010
3178	NCLB: Title I, Part A, Non-Program Improvement LEAs with Program Improvement Schools	8290	D	84.010
3310	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611 (formerly PL 94-142)	8181 8287	D	84.027
3315	Special Ed: IDEA Preschool Grants, Part B, Sec 619	8182	D	84.173
3320	Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611	8182	D	84.027
3326	Special Ed: IDEA Preschool Capacity Building, Part B, Sec 619	8182	D	84.173
3327	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	8182	D	84.027
3328	Special Ed: IDEA County Mental Health Services, Part B, Sec 611	8182	D	84.027
3330	Special Ed: IDEA Infant Discretionary, Part B, Sec 611	8590	D	
3340	Special Ed: IDEA Local Staff Development Grant, Part B, Sec 611	8182	D	84.027
3341	Special Ed: IDEA Interpreter Certification, Part B, Sec 611	8182	D	84.027
3345	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	8182	D	84.173
3355	Special Ed: IDEA LCI Growth, Part B, Sec 611	8590	D	
3360	Special Ed: IDEA Low-Incidence Entitlement, Part B, Sec 617	8590	D	
3370	Special Ed: IDEA State/Staff Development	8182	D	84.027



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<b>Resource Code</b>	<b>Resource Description</b>	<b>Revenue Object</b>	<b>D/F</b>	<b>CFDA</b>
3372	Special Ed: State Improvement Grant, Improving Special Ed Systems	8182	D	84.323A
3375	Special Ed: IDEA Cross-Cultural Assessment, Special Project Special Studies	8182	D	84.027
3385	Special Ed: IDEA Early Intervention Grants	8182 8590	D	84.181
3386	Special Ed: IDEA Quality Assurance & Focused Monitoring	8182	D	84.027
3395	Special Ed: Alternative Dispute Resolution	8182	D	84.027
3400	Special Ed: Disabled Children State Institutions	8182	D	84.027
3405	Special Ed: Workability I	8590	D	
3410	Department of Rehab: Workability II, Transition Partnership	8290	D	84.158
3411	Department of Rehab: Bridges to Youth Self-Sufficiency	8290	F	96.007
3505	Vocational Programs: Nontraditional Training and Employ (Carl Perkins Act)	8290	D	84.048
3510	Vocational Programs: Voc & Applied Tech Prep Programs, Title II, Sec 203 (Carl Perkins Act)	8290	D	84.243
3515	Vocational Programs: Voc & Applied Tech State Leadership, Title I, Sec 124 (Carl Perkins Act)	8290	D	84.048
3525	Vocational Programs: Voc & Applied Sex Bias/Equity II B (Carl Perkins Act) (04/05)	8290	D	84.048
3530	Vocational Programs: Voc & Applied Single Parent II B (Carl Perkins Act) (04/05)	8290	D	84.048
3540	Vocational Programs: Voc & Appl Tech Corrections Education II B (Carl Perkins Act)	8290	D	84.048
3550	Vocational Programs: Voc & Appl Tech Secondary II C, Sec 131 (Carl Perkins Act)	8290	D	84.048
3555	Vocational Programs Postsecondary and Adult II C, Sec 132 (Carl Perkins Act)	8290	D	84.048
3710	NCLB: Title IV, Part A, Drug-Free Schools	8290	D	84.186
3715	NCLB: Drug-Free Schools: Program Development	8290	D	84.186
3718	NCLB: Title IV, Community Service Grant	8290	D	84.184C
3831	Goals 2000: Student Academic Partnership, Grades 7–12	8290 8590	D	84.276
3837	Goals 2000: K–12 Reading/Language Arts, Mathematics, and English Language Development	8290	D	84.276
3870	IASA: Title VIII Reading Excellence Act: Local Reading Improvement (04/05)	8290	D	84.338
3871	IASA: Title VIII Reading Excellence Act: Tutorial Assistance Grant (04/05)	8290	D	84.338
3900–3999	Adult Education			

## Procedure 310      Resource (Project/Reporting) Classification

Resource Code	Resource Description	Revenue Object	D/F	CFDA
3905	Adult Education: Adult Basic Education & ESL	8290	D	84.002A
3909	Adult Education: State Leadership Projects	8290	D	84.002A
3910	Adult Education: Adult Basic Education (05/06)	8290	D	84.002A
3911	Adult Education: English as a Second Language (ESL)	8290	D	84.002A
3912	Adult Education: Family Literacy	8290	D	84.002A
3913	Adult Education: Adult Secondary Education	8290	D	84.002A
3925	Adult Education: ESL/ESL Citizenship (05/06)	8290	D	84.002A
3926	Adult Education: English Literacy & Civics Education	8290	D	84.002A
3927	Adult Education: English Literacy & Civics Education State Leadership	8290	D	84.002A
3928	Adult Education: Vocational Literacy (05/06)	8290	D	84.002A
3940	Adult Education: Institutionalized Adults	8290	D	84.002A
4035	NCLB: Title II, Part A, Teacher Quality	8290	D	84.367
4036	NCLB: Title II, Part A, Principal Training	8290	D	84.367
4040	IASA: Technology Literacy Challenge Grant (formerly Title III) (04/05)	8290	D	84.318X
4045	NCLB: Title II, Part D, Enhancing Education Through Technology, Formula Grants	8290	D	84.318X
4046	NCLB: Title II, Part D, Enhancing Education Through Technology, Competitive Grants	8290	D	84.318X
4050	NCLB: Title II, Part B, CA Mathematics and Science Partnerships	8290	D	84.366
4110	NCLB: Title V, Part A, Innovative Education Strategies	8290	D	84.298A
4115	NCLB: Title V, Priority Projects	8290	D	84.298
4123	NCLB: Title IV, 21 <sup>st</sup> Century Community Learning Centers Technical Assistance	8290	D	84.287
4124	NCLB: Title IV, Part B, 21 <sup>st</sup> Century Community Learning Centers Program	8290	D	84.287
4126	NCLB: Title VI, Part B, Rural & Low Income School Program	8290	D	84.358
4201	NCLB: Title III, Immigrant Education Program	8290	D	84.365
4203	NCLB: Title III, Limited English Proficiency (LEP) Student Program	8290	D	84.365
4216	Refugee Children Supplemental Assistance Program	8290	D	93.576
4230–4250	Bilingual Education: Discretionary Grants–Locally defined These codes are used, at the option of the LEA, to track federal bilingual revenues not defined elsewhere. For CDE reporting, these accounts are converted to account 4230.			

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## Procedure 310      Resource (Project/Reporting) Classification

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Resource Code	Resource Description	Revenue Object	D/F	CFDA
4230	Bilingual Education: Discretionary Grants, Title III	8290	D	Various
4310–4330	School-to-Work: Locally defined These codes are used, at the option of the LEA, to track federal school-to-work revenues not defined elsewhere. For CDE reporting, these accounts are converted to account 4310.			
4310	School-to-Work (School-to-Career) (05/06)	8290	D	84.278
4410–4430	Educational Technology: Locally defined These codes are used, at the option of the LEA, to track federal educational technology revenues not defined elsewhere. For CDE reporting, these accounts are converted to account 4410.			
4410	Educational Technology	8290	D	84.318
4510	Indian Education	8290	D	84.060
4600–4699	Charter Schools			
4610	NCLB: Title V, Part B, Charter Schools Grants	8290	D	84.282
4710–4730	Gifted and Talented Education (Javits): Locally defined These codes are used, at the option of the LEA, to track federal gifted and talented revenues not defined elsewhere. For CDE reporting, these accounts are converted to account 4710.			
4710	Javits GATE	8290	D	84.206
5000–5199	Child Development Programs			
5025	Child Development: Federal Child Care, Center-based	8290	D	93.596
5026	Child Development: Federal Family Child Care Homes	8290	D	93.596
5035	Child Development: Quality Improvement Activities	8290 8590	D	93.575
5050	Child Development: Federal Alternative Payment	8290 8590	D	93.575 93.596
5055	Child Development: Local Planning Councils	8290	D	93.596
5061	Child Development: Federal Alternative Payment, Stage II	8290	D	93.575 93.596
5062	Child Development: Federal Alternative Payment, Stage III	8290	D	93.575 93.596
5080	Child Development: School-Age Child Care Resource Contracts	8290	D	93.575
5085	Child Development: Federal Resource and Referral	8290	D	93.575 93.596
5090	Child Development: Capacity Building Grant (04/05)	8290 8590	D	93.575

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## Procedure 310      Resource (Project/Reporting) Classification

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Resource Code	Resource Description	Revenue Object	D/F	CFDA
5095	Child Development: Infant/Toddler Child Care Resource Contracts	8290	D	93.575
5100	Child Development: Centralized Eligibility List	8290	D	93.575
5210–5240	Head Start Program: Locally defined These codes are used, at the option of the LEA, to track federal Head Start revenues not defined elsewhere. For CDE reporting, these accounts are converted to account 5210.			
5210	Head Start	8290	D	93.600
5310	Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students)	8220 8520 8634 8091 8099	F	10.553 10.555 10.556
5320	Child Nutrition: Child Care Food Program (CCFP) Claims-Centers and Family Day Care Homes (Meal Reimbursements)	8220 8520	F	10.558
5330	Child Nutrition: Summer Food Service Program Operations	8220	F	10.559
5335	Child Nutrition: Summer Food Service Sponsor Administration	8220	F	10.559
5340	Child Nutrition: CCFP Cash in Lieu of Commodities	8220	F	10.558
5350	Child Nutrition: CCFP Family Day Care Sponsor Admin	8220	F	10.558
5360	Child Nutrition: CCFP Startup	8220	F	10.558
5375	Child Nutrition: Summer Food Service Startup	8220 8520	D	10.559
5380	Child Nutrition: School Breakfast Startup	8520 8990	D	
5451	Child Nutrition: Garden Enhanced Nutrition Education Project	8590	D	
5453	Child Nutrition: SHAPE California Model Nutrition Education	8699	D	
5454	Child Nutrition: Team Nutrition	8290	D	10.574
5455	Child Nutrition: Nutrition Education (05/06)	8290 8590	D	Various
5510	NCLB: Title V, Part D, Character Education	8290	D	84.215
5575	CalServe: Learn & Serve America	8290	D	94.004
5600	Workforce Investment Act (formerly JTPA)	8290	D	17.255
5610	Workforce Investment Act (WIA) From Other Agencies (LWIB)	8290	D	17.255
5628	High School Reform Grant (04/05)	8290	D	84.215

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## Procedure 310      Resource (Project/Reporting) Classification

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Resource Code	Resource Description	Revenue Object	D/F	CFDA
5630	NCLB: Title X, McKinney-Vento Homeless Assistance Grants	8290	D	84.196
5640	Medi-Cal Billing Option	8290	F	93.778
5650	FEMA Public Assistance Funds	8281	F	97.036
5652	FEMA Hazard Mitigation Grant	8281	D	97.039
5800–5999	Other Restricted Federal: Locally defined These codes are used, at the option of the LEA, to track all other restricted federal revenues not defined elsewhere. For CDE reporting, these accounts are converted to account 5810.			
5810	Other Restricted Federal	8182 8290	D/F	Various
<b>6000–7999</b>	<b>State Resources Restricted</b>			
6010	After School Education and Safety (ASES)	8590	D	
6015	Adults in Correctional Facilities	8590	F	
6016	Adult Ed: Site Management Information Systems (MIS) (04/05)	8590	D	
6020	CSIS: California School Information Service	8590	D	
6030	Charter Schools Facilities Lease	8590	D	
6040	Child Development: State Alternative Payment	8590	D	
6041	Child Development: State Alternative Payment Stage II	8590	D	
6042	Child Development: State Alternative Payment, Stage III	8590	D	
6045	Child Development: State Local Planning Councils	8590	D	
6050	Child Development: Prekindergarten and Family Literacy, Part-Day	8590	D	
6051	Child Development: Prekindergarten and Family Literacy, Full-Day Option	8590	D	
6052	Child Development: Prekindergarten and Family Literacy, Program Support	8590	D	
6055	Child Development: State Preschool	8590 8673	D	
6056	Child Development: Preschool, Full-Day	8590 8673	D	
6060	Child Development: State General Child Care, Center-based	8530 8590	D	
6065	Child Development: Migrant Day Care Centers	8530 8590	D	
6070	Child Development: Migrant Special Services	8530 8590	D	
6075	Child Development: State Family Child Care Homes	8590	D	
6080	Child Development: Extended Day Care (Latchkey)	8530	D	

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Resource Code	Resource Description	Revenue Object	D/F	CFDA
6091	Cal-SAFE Academic and Supportive Services	8590	F	
6092	Cal-SAFE Child Care and Development Services	8590	F	
6093	Cal-SAFE County Classroom	8590	F	
6110	Child Development: Resource & Referral	8590 8660	D	
6130	Child Development: Center-Based Reserve Account	8990	F	
6131	Child Development: Resource & Referral Reserve Account	8990	F	
6132	Child Development: Alternative Payment Reserve Account	8990	F	
6140	Child Development: Child Care Facilities Revolving Fund	8979	F	
6144	Child Development: Instructional Materials and Supplies	8590	D	
6145	Child Development: Facility Renovation and Repair	8590	D	
6200	Class Size Reduction Facilities Funding	8590	F	
6205	Deferred Maintenance Apportionment (Use in Fund 14, Deferred Maintenance)	8540	F	
6215	Gang Risk Intervention Program (04/05)	8590	D	
6225	Emergency Repair Program, Williams Case	8590	D	
6226	School Facilities Needs Assessment Grant Program, Williams Case	8590	F	
6240	Healthy Start: Planning Grants and Operational Grants	8590	D	
6243	Healthy Start: Business Partnerships, Regional Demo Projects (04/05)	8590	D	
6245	Healthy Start-Pregnant & Parenting	8590	D	
6250	Early Mental Health Initiative (EMHI) (Department of Mental Health)	8590	D	
6255	Teacher Recruitment Centers (04/05)	8590	D	
6258	Physical Education Teacher Incentive Grants	8590	F	
6260	Alternative Certification Program for Intern Teachers (CCTC)	8590	D	
6262	Pre-Internship Teaching Program (CTC)	8590	D	
6263	Paraprofessional Teacher Training (CTC)	8590	D	
6265	Teachers As a Priority (TAP) Block Grant	8590	D	
6267	National Board Certification Teacher Incentive Grant	8590	D	
6268	Certificated Staff Performance Incentive Bonus	8590	F	
6270	Academic Volunteer and Mentor Service Program (Office of Child Development and Education) (04/05)	8590	D	

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<b>Resource Code</b>	<b>Resource Description</b>	<b>Revenue Object</b>	<b>D/F</b>	<b>CFDA</b>
6275	Teacher Recruitment and Retention	8590	D	
6280	Community Ed: Intergenerational Education (05/06)	8590	D	
6285	Community-Based Tutoring Grants	8590	D	
6286	English Language Acquisition Program, Teacher Training & Student Assistance	8590	F	
6288	English Language and Intensive Literacy Program (05/06)	8590	F	
6292	Classroom Library Materials, Grades K–4 (04/05)	8590	F	
6296	Calif. Public School Library Act of 1998	8590	F	
6300	Lottery: Instructional Materials	8560	F	
6310	School/Law Enforcement Partnership: Mini-Grants	8590	D	
6315	School/Law Enforcement: Conflict Resolution & Youth Mediation	8590	D	
6316	Tolerance Education Program	8590	D	
6320	School/Law Enforcement: School Community Violence Prevention (04/05)	8590	D	
6330	School/Community Policing Partnerships	8590	D	
6340	Parent/Teacher Involvement: Nell Soto Program	8590	D	
6341	Parent/Teacher Involvement: Teresa Hughes Family/School Partnerships	8590	D	
6342	Parent/Teacher Involvement: Tom Hayden Community Parent Involvement	8590	D	
6350	ROC/P Apportionment	8091 8097 8099 8311 8319 8791 8792 8793	F	
6355	ROC/P: Training & Certification for Community Care (Dept Develop Service)	8590	F	
6360	Pupils with Disabilities Attending ROC/P	8311	F	
6365	ROC/P: Equipment	8590	F	
6370	ROC/P or Adult Ed: CalWORKs Participants Supportive Services (04/05)	8590	D	
6375	Industry-Based Certification Incentive Grant Program	8590	F	
6377	Career Technical Education Equipment and Supplies	8590	F	
6380	School-to-Career Local Partnerships	8590	D	
6390	Adult Education Apportionment (Use in Fund 11, Adult Education)	8011	F	

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<b>Resource Code</b>	<b>Resource Description</b>	<b>Revenue Object</b>	<b>D/F</b>	<b>CFDA</b>
6405	School Safety & Violence Prevention, Grades 8–12	8590	F	
6500	Special Education	8091 8097 8099 8311 8319 8590 8710 8791 8792 8793 8980	F	
6510	Special Ed: Early Ed Individuals with Exceptional Needs (Infant Program)	8311	F	
6575	High-Risk Youth and Public Safety Program (04/05)	8590	D	
6585	Reading Professional Development Institute	8590	F	
6650	Tobacco-Use Prevention Education: Discretionary District Grants	8590	D	
6660	Tobacco-Use Prevention Education: Elementary Grades 4–8	8590	D	
6670	Tobacco-Use Prevention Education: High School Competitive Grants	8590	D	
6680	Tobacco-Use Prevention Education: COE Administration Grants	8590	D	
6700	WIA: State Match	8590	D	
6701	WIA: Regional Coordination	8590	D	
6760	Arts and Music Block Grant	8590	F	
6761	Arts, Music, and Physical Education Supplies and Equipment	8590	F	
6781	AIDS Education: W/Health Services	8590	D	
7005	Categorical Programs Per ADA Allocations	8590	F	
7010	Agricultural Vocational Incentive Grants	8590	D	
7015	American Indian Education Centers	8590	D	
7018	Arts Education Partnership Grants	8590	D	
7021	Child Nutrition: Linking Education, Activity, & Food (LEAF)	8590	D	
7022	Child Nutrition: California Fresh Start Pilot	8520	F	
7023	Child Nutrition: California Fresh Start Pilot – Training and Evaluation	8590	D	
7026	Instructional School Gardens	8590	F	
7045	Targeted Instruction Improvement Grants Program (TIIG)	8590	F	
7055	CAHSEE Intensive Instruction and Services	8590	F	



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Resource Code	Resource Description	Revenue Object	D/F	CFDA
7056	CAHSEE Individual Intervention Materials	8590	F	
7060	Dropout Prevention: Educational Clinics	8590	D	
7065	Dropout Prevention: Implementation Model	8590	D	
7070	Dropout Prevention: Alternative Work Centers	8590	D	
7075	Dropout Prevention: Motivation/Maintenance	8590	D	
7080	Supplemental School Counseling Program	8590	F	
7090	Economic Impact Aid (EIA)	8311	F	
7091	Economic Impact Aid: Limited English Proficiency (LEP)	8311	F	
7100	Education Technology: Digital High School	8590	D	
7101	Education Technology: Digital High School Staff Development & Support	8590	F	
7105	Education Technology: High Tech High Schools	8590	D	
7110	Education Technology: CTAPS, SETS, & Supplemental Grants	8590	D	
7120	Education Technology: Staff Development	8590	F	
7125	Education Technology: Institute for Computer Technology	8590	D	
7126	California K–12 High Speed Network	8590	D	
7127	Education Technology: AB 2882 Ed Tech Grant Program for High Schools/Online Advanced Placement and Instructional Computers (04/05)	8590	D	
7130	Early Intervention for School Success (EISS)	8590	D	
7135	Environmental Education	8590	D	
7140	Gifted & Talented Education (GATE)	8311	F	
7155	Instructional Materials: Grades K–8 (Includes Disaster Funding and Fast Growth)	8590	F	
7156	Instructional Materials Realignment, IMFRP (AB 1781)	8590	F	
7157	Instructional Materials: English Language Learners	8590	F	
7158	Instructional Materials: Williams Case	8590	F	
7160	Instructional Materials: Grades 9–12	8590	F	
7170	Instructional Material: Braille & Large Print	8590	F	
7200	Miller-Unruh Reading Program	8590	F	
7210	American Indian Early Childhood Education	8590	D	
7220	Partnership Academies Program	8590	D	
7225	Partnership Academies New Program Grants (05/06)	8590	D	
7227	Information Technology Career Academy Grant	8590	D	

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## Procedure 310      Resource (Project/Reporting) Classification

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Resource Code	Resource Description	Revenue Object	D/F	CFDA
7230	Transportation: Home to School	8311 8675 8677 8980 8990	F	
7235	Transportation: School Bus Replacement	8590 8990	D	
7236	School Bus Emissions Reduction Funds	8590 8699	D/F	
7240	Transportation: Special Education (Severely Disabled/Orthopedically Impaired) <i>Education Code</i> sections 41850–41851.2	8311 8675 8677 8980	F	
7250	School Based Coordination Program (SBCP)	8590 8990	F	
7255	Immediate Intervention/Underperforming Schools Program	8590	D	
7256	II/USP: SAIT Corrective Action Plan	8590	D	
7258	High Priority School Grants Program	8590	D	
7259	High School Pupil Success Act (HSPSA)	8290 8590	D	
7260	School Improvement Program (SIP)	8311 8990	D	
7265	<i>School Improvement Program (optional: LEA may use to report grades 7–12 funding separately)</i>	8311 8990	D	
7268	High Priority Schools: SAIT and Corrective Action	8590	D	
7271	California Peer Assistance & Review Program for Teachers (CPARP)	8590	F	
7274	Advanced Placement Challenge Grant (05/06)	8590	D	
7275	Staff Development: Bilingual Teacher Training (BTTP)	8590 8990	D	
7280	Staff Development: Beginning Teacher Support & Assessment Study (BTSA)	8590	D	
7282	Staff Development: High School Coaching Training	8590	D	
7286	International Baccalaureate (IB) Program: Staff Development & Startup	8590	F	
7292	Staff Development: Standards-Based Math, Grades 4–12 (04/05)	8590	D	
7293	Staff Development: Mathematics Teacher Partnership Pilot	8590	D	
7294	Staff Development: Mathematics and Reading (AB 466)	8590	F	

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## Procedure 310      Resource (Project/Reporting) Classification

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Resource Code	Resource Description	Revenue Object	D/F	CFDA
7295	Staff Development: Reading Services for Blind Teachers	8590	D	
7320	Staff Development: Administrator Training and Evaluation	8590	D	
7325	Staff Development: Administrator Training (AB 75)	8590	F	
7335	Staff Development: Intersegmental College Readiness (04/05)	8590	D	
7337	Academic Improvement & Achievement: Regional Partnerships	8590	F	
7340	Staff Development: Intersegmental Advancement Via Individual Determination (AVID)	8590	D	
7345	Staff Development: Intersegmental California Teacher Education Institutes (CTEI) (04/05)	8590	D	
7360	Student Organizations Vocational Education	8590	D	
7365	Supplementary Programs: Foster Youth	8590	D	
7366	Supplementary Programs: Foster Youth in Licensed Foster Homes	8590	D	
7367	Supplementary Programs: Foster Youth Services Juvenile Detention	8590	D	
7370	Supplementary Programs: Specialized Secondary	8590	D	
7375	Tenth Grade Counseling	8590	F	
7380	Year-Round Education (YRE) Implementation Grants (05/06)	8425	D	
7385	County Oversight, Williams Case	8590	F	
7390	Pupil Retention Block Grant	8590	F	
7391	School Community Violence Prevention Grant	8590	F	
7392	Teacher Credentialing Block Grant	8590	F	
7393	Professional Development Block Grant	8590	F	
7394	Targeted Instructional Improvement Block Grant	8590	F	
7395	School and Library Improvement Block Grant	8590	F	
7396	Discretionary Block Grant – School Site	8590	F	
7397	Discretionary Block Grant – School District	8590	F	
7398	Instructional Materials, Library Materials, and Education Technology	8590	F	
7701– 7799	State School Facilities Projects These codes are used to track capital projects funded by the Office of Public School Construction.			
7710	State School Facilities Projects	8545	F	

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**Procedure 310     Resource (Project/Reporting) Classification**

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<b>Resource Code</b>	<b>Resource Description</b>	<b>Revenue Object</b>	<b>D/F</b>	<b>CFDA</b>
7800– 7999	Other Restricted State: Locally defined These codes are used, at the option of the LEA, to track all other restricted state revenues not defined elsewhere. For CDE reporting, these accounts are converted to account 7810.			
7810	Other Restricted State	8590	D/F	
<b>8000– 9999</b>	<b>Local Resources Restricted</b>			
8100	Routine Repair and Maintenance (RRRMF: <i>Education Code</i> Section 17014)	8980	F	
8150	Ongoing and Major Maintenance Account (RMA: <i>Education Code</i> Section 17070.75)	8980	F	
9000– 9999	Other Restricted Local: Locally defined These codes are used, at the option of the LEA, to track all other local revenues or other financing sources that are not defined elsewhere and that are restricted to specific purposes by the donor or by law. (Refer to pages 310-1 and 310-5 for additional discussion of restricted programs and activities.) For CDE reporting, these accounts are converted to account 9010.			
9010	Other Restricted Local	8610–8699 8931–8979	D/F	

**T**he goal field defines an objective or a set of objectives for the LEA. Another way to view the goal is to look at the instructional setting or the group of students who are receiving instructional services: regular classes, special education classes, vocational education, adult education, or community service, for example.

### **How the Goal Field Is Used**

The goal field provides the framework for charging instructional costs and direct support costs to the benefiting objectives. For example, both a special education teacher (an instruction function) and a special education counselor (a guidance and counseling function) would be charged to a Special Education goal.

The goal field applies primarily to expenditure accounts, but it may be used with revenue accounts. However, a 5xxx goal is required with both special education revenue and expenditure accounts.

Those expenditures in functions that are not directly assignable to a goal at the time of expenditure are charged to Goal 0000, Undistributed. Costs remaining in the Undistributed goal are eventually distributed to benefiting goals, using standardized allocation factors (see Procedure 910, "Program Cost Accounting").

In general, the following guidelines should be used in coding functions with goals:

Instructional Goals (Goals 1000–6999) and Nonagency Goals (Goals 7100–7199):

- Typically used with Function 1000, Instruction, and the Special Education instructional functions 1100 through 1199. May be used with Function 4000, Ancillary Services.
- May be used with Function 2000, Instruction-Related Services, and Function 3000, Pupil Services, if the expenditures can be directly identified and supported with a goal.

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## Procedure 320      Goal Classification

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Community Services and Child Care Services Goals (Goals 8100 and 8500):

- Typically used with Function 5000, Community Services.
- May be used with Function 3600, Pupil Transportation, and Function 3700, Food Services, if the expenditures can be directly identified and supported with a goal.

Undistributed Goal (Goal 0000):

- May be used with those expenditures in Function 2000, Instruction-Related Services; Function 3000, Pupil Services; Function 7000, General Administration; and Function 8000, Plant Services.
- After they originally charge costs to Goal 0000, LEAs may wish to transfer costs by function to the other goals on the basis of supporting documentation or allocation factors, using Object 7370, Transfers of Direct Support Costs, and Object 7380, Transfers of Direct Support Costs—Interfund.

### Flexibility of the Goal Field

The LEA may code its transactions only to the minimum level required by CDE, such as:

1110 Regular Education, K–12  
3100 Alternative Schools  
3200 Continuation Schools  
3550 Community Day Schools

Or the LEA may code its transactions to a more detailed level by using the optional (*italicized*) codes presented in this manual or more detailed codes developed by the LEA or a combination of both. At year-end, any locally defined codes must roll up to the nearest level as defined in the *California School Accounting Manual*.

CDE has provided a specific range of goals (goals 1130–1999) for local definition of regular K–12 instruction, such as mathematics, science, or language arts. These goals must be rolled up to Goal 1110, Regular Education, K–12, when data are presented to CDE. Similarly, a range of goals (goals 4130–4399) for local definition is provided for Goal 4110, Regular Education, Adult.

### **Importance of the Goal Field in Program Cost Accounting**

The goal field provides the framework for program cost accounting. It is important to understand and apply the appropriate costing principles when charging costs to the benefiting goals. (Procedure 910 addresses these principles.)

The documented method is an option for charging costs to specific goals. Use of the documented method for charging salaries requires specific records to be maintained. However, if state unrestricted funds are used to pay salary costs in instances where personnel are employed in or activities are performed in support of more than one goal, direct-cost distributions are allowable in lieu of actual time accounting. (Refer to Procedure 910 for specific guidance regarding the instances in which this distribution is allowable.)

Nonpersonnel costs charged to a specific goal should be substantiated by documentation that identifies the program(s) that received the service, supply, or equipment. The signature of a program administrator acknowledging receipt of the service, supply, or equipment on a document, such as an invoice, a requisition request, a purchase order, a receiving report, a contract, or an inventory listing of equipment, will validate the charge.

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## Procedure 320      Goal Classification

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### List of Goal Codes

*(Italicized codes are optional.)*

<b><u>Code</u></b>	<b><u>Title</u></b>
<b>0000</b>	<b>UNDISTRIBUTED</b>
<b>0001–6999</b>	<b>INSTRUCTIONAL</b>
0001–0999	General Education, Pre-K
0001	General Education, Pre-K
1000–3999	General Education, K–12
1110	Regular Education, K–12
<i>1130–1999</i>	<i>Other K–12 Subject Matter and Other K–12 Tracking—Locally Defined</i>
2000–2999	Reserved for Future State Definition for Other Subject Matter and Other Tracking
3100	Alternative Schools
3200	Continuation Schools
3300	Independent Study Centers
3400	Opportunity Schools
3500	County Community Schools (county offices only)
3550	Community Day Schools
3600	Juvenile Courts
3700	Specialized Secondary Programs
3800	Vocational Education
4000–4749	General Education, Adult
4110	Regular Education, Adult
<i>4130–4399</i>	<i>Other Subject Matter and Other Tracking, Adult—Locally Defined</i>
4610	Adult Independent Study Centers
4620	Adult Correctional Education
4630	Adult Vocational Education
4750–4999	Supplemental Education, K–12
4760	Bilingual
4850	Migrant Education
4900	Other Supplemental Education (county offices only)
5000–5999	Special Education
5001	Special Education—Unspecified



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**Procedure 320      Goal Classification**

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<b><u>Code</u></b>	<b><u>Title</u></b>
5050	Regionalized Services
5060	Regionalized Program Specialist
5710	Special Education, Infants
5730	Special Education, Preschool Students
5750	Special Education, Ages 5–22 Severely Disabled
5770	Special Education, Ages 5–22 Nonseverely Disabled
6000–6999	Regional Occupational Center/Program (ROC/P)
6000	Regional Occupational Center/Program (ROC/P)
<b>7000–9999</b>	<b>OTHER GOALS</b>
7100–7199	Nonagency
7110	Nonagency—Educational
7150	Nonagency—Other
8100–8199	Community Services
8100	Community Services
8500–8599	Child Care and Development Services
8500	Child Care and Development Services
8600–8699	County Services to Districts
8600	County Services to Districts
9000–9999	Other Goals—Locally Defined
9000	Other Local Goals

## **Goal Code Definitions**

*(Italicized codes are optional.)*

<b><u>Code</u></b>	<b><u>Definition</u></b>
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<b>0000</b>	<b>UNDISTRIBUTED</b>
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Undistributed expenditures are expenditures other than those for instruction, ancillary services, and community service functions that are not directly assignable at the time of transaction to a specific goal.

Expenditures accumulated in Goal 0000 can be distributed to benefiting goals based on supporting documentation or will eventually be distributed to benefiting goals using standardized allocation factors. Goal 0000 is also used for revenues and balance sheet transactions for which a goal is not required. Generally, use Goal 0000, Undistributed, with an enterprise fund. The costs in an enterprise fund are not included in the program cost report (PCR), nor are the goals of an enterprise fund necessary for the LEA's government-wide statements.

County offices of education that have staff within the county office or county board of education performing similar support-type activities for their own LEA and for their school districts may charge 50 percent of the costs as a direct cost to Goal 8600, County Services to Districts, and 50 percent of the costs as a direct cost to general administrative support using Goal 0000, Undistributed.

<b>0001–6999</b>	<b>INSTRUCTIONAL</b>
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<b>0001–0999</b>	<b>General Education, Pre-K</b>
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<b>0001</b>	<b>General Education, Pre-K.</b> A group of activities and/or services that provides educational experiences for children during the year or years preceding kindergarten that is part of a sequential program of an elementary school and is under the direction of a qualified teacher. The term "general" refers to basic skill areas that emphasize beginning literacy and numeracy. General Education, Pre-K, does not include special education.
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This goal would include those child development programs that require teachers to possess a children's center instructional permit.

Local child care programs that are not subsidized by state or federal funds and that are operated with the intent of recovering the costs of the program through parent fees or other charges are typically accounted for in an enterprise fund.

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## Procedure 320      Goal Classification

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<u>Code</u>	<u>Definition</u>
1000–3999	<b>General Education, K–12.</b> A group of activities and/or services that provides students in kindergarten through grade 12 (K–12) with learning experiences that prepare them for roles as citizens, family members, and employable workers. The term "general" refers to basic skill areas that emphasize literacy, numeracy, and knowledge in languages, mathematics, sciences, history and related social studies, arts, and other subject areas, including vocational and technical education.
1110	<b>Regular Education, K–12.</b> Educational programs that are designed to serve the vast majority of the public school student population in traditional settings. This goal should not be used by county offices of education except for a county-operated charter school. A second exception to this general rule would be for county-operated child development programs that require teachers to possess a children's center instructional permit.
1130–1999	<b><i>Other K–12 Subject Matter and Other K–12 Tracking—Locally Defined (Optional).</i></b> <i>These codes are used, at the option of the LEA, to track expenditures by subject matter. They may include languages, mathematics, sciences, history and related social studies, and arts. For CDE reporting, these accounts are converted to Goal 1110.</i>
2000–2999	<b>Reserved for Future State Definition for Other Subject Matter and Other Tracking</b>
3100	<b>Alternative Schools.</b> A school or separate class group established in a school district or county office of education that is operated to (a) maximize the opportunity for students to develop self-reliance, initiative, kindness, spontaneity, resourcefulness, courage, creativity, and joy; (b) recognize that the best learning takes place when the student learns because of his or her desire to learn; (c) maintain a learning situation maximizing student self- motivation and encouraging the student in his or her own time to follow his or her own interests; (d) maximize the opportunity for teachers, parents, and students to cooperatively develop the learning process and its subject matter; and (e) maximize the opportunity for the students, teachers, and parents to continually react to the changing world ( <i>Education Code Section 58500</i> ).  A county office of education would use this goal to record the expenditures for the Cal-SAFE County Classroom Program (Resource 6093).
3200	<b>Continuation Schools.</b> Schools and classes established by high school and unified school districts to provide all of the following: (a) an opportunity for pupils to complete the academic courses of instruction to graduate from high school; (b) a program of instruction that emphasizes occupational orientation or a

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## Procedure 320      Goal Classification

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<u>Code</u>	<u>Definition</u>
	work-study schedule and offers intense guidance services to meet the special needs of pupils; and (c) a program designed to meet the educational needs of each pupil, including, but not limited to, independent study, regional occupational programs, work study, career counseling, and job placement services as a supplement to classroom instruction ( <i>Education Code</i> Section 48430). Continuation schools are funded with Resource 2200, Continuation Education.
3300	<b>Independent Study Centers.</b> Study centers conducting activities undertaken by school districts pursuant to <i>Education Code</i> sections 46300(e) and 51745–51749 to provide certain students with the option of schooling apart from classrooms. For reporting purposes, include in this goal only those activities that provide full-time education pursuant to a written agreement, as required by statutes and regulations, as an alternative to daily attendance in a classroom. Do not include students participating in limited periods of full-time independent study because of illness, family vacation, and so on.
3400	<b>Opportunity Schools.</b> Alternative school, class, or program placements that may be provided by school districts or county boards of education for pupils who demonstrate irregular attendance or who are at risk of being habitually truant or who are in danger of becoming insubordinate or disorderly during their attendance. The intent is to provide instruction to resolve the problems so that the students may maintain themselves in regular classes or return to regular classes or regular schools as soon as practicable ( <i>Education Code</i> sections 48640 and 48641).
3500	<b>County Community Schools (COE only).</b> Schools established by a county board of education and administered by the county superintendent for (a) pupils who have been expelled from a school district; (b) pupils who have been referred to county community schools by a school district on the recommendation of a school attendance review board or whose school districts of attendance have, at the request of the pupils' parents or guardians, approved the pupils' enrollment in a county community school; (c) pupils who are probation-referred pursuant to the <i>Welfare and Institutions Code</i> or are on probation or parole and not in attendance in any school or expelled; and (d) homeless children ( <i>Education Code</i> Section 1981). County community schools are funded by Resource 2400, Juvenile Court/County Community Schools (or optional Resource 2420, County Community Schools).
3550	<b>Community Day Schools.</b> Schools established by a governing board of a school district or county office of education for students who (a) have been expelled for any reason; (b) are on probation pursuant to the <i>Welfare and Institutions Code</i> ; or (c) are referred by a School Attendance Review Board (SARB) or any other attendance review board ( <i>Education Code</i> sections 48660–48667). Community day schools are funded by Resource 2430, Community Day Schools.

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## Procedure 320      Goal Classification

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<u>Code</u>	<u>Definition</u>
3600	<b>Juvenile Courts.</b> Public schools in juvenile halls, juvenile homes, day centers, juvenile ranches, camps, and so forth provided by the county board of education or by contract with the governing board of the local school district ( <i>Education Code</i> Section 48645). Juvenile Court schools are funded by Resource 2400, Juvenile Court/County Community Schools (or optional Resource 2410, Juvenile Court).
3700	<b>Specialized Secondary Programs.</b> Secondary schools established to provide advanced instruction and training in high-technology fields and in the performing arts. These schools benefit the state economy by providing talented students with enhanced learning opportunities in high-technology fields and in the performing arts while the students are enrolled in schools that are in close proximity to where the industries are located ( <i>Education Code</i> Section 58800).
3800	<b>Vocational Education.</b> Refers to skill areas, such as distributive education, health, home economics, industrial arts, technology, and trades, designed to prepare students for gainful employment. The Vocational Education goal is used to track the costs of vocational education students and is not used for adult education, ROC/P, or special education costs.
4000–4749	<b>General Education, Adult.</b> Refers to a group of activities and/or services for adults who have not completed or have interrupted their formal schooling and have subsequently taken on adult roles and responsibilities. Programs in which adults develop knowledge and skills to meet their immediate and long-range educational objectives include activities to foster the development of fundamental tools of learning; prepare students for a postsecondary career or postsecondary education program; upgrade occupational competence; prepare students for a new or different career; develop skills and appreciation for special interests; and enrich the aesthetic qualities of life. Adult basic education is included in these goals ( <i>Education Code</i> sections 41976 and 52610).
4110	<b>Regular Education, Adult.</b> Educational programs that are designed to serve the vast majority of the adult student population in more traditional settings.
4130–4399	<b><i>Other Subject Matter and Other Tracking, Adult—Locally Defined (Optional).</i></b> <i>These codes are used, at the option of the LEA, to track expenditures by subject matter for adult students. They may include languages, mathematics, sciences, history and related social studies, and arts. For CDE reporting, the LEA must convert these accounts to Goal 4110.</i>

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## Procedure 320      Goal Classification

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<u>Code</u>	<u>Definition</u>
4610	<b>Adult Independent Study Centers.</b> Study centers providing adult education classes and courses through independent study for adult students as defined in <i>Education Code</i> Section 41976.2.
4620	<b>Adult Correctional Education.</b> Classes established for prisoners in any county jail, county honor farm, county industrial farm, or county or joint-county road camp for the purpose of providing instruction in civic, vocational, literacy, health, homemaking, technical, and general education ( <i>Education Code</i> sections 1900 and 41841.5).
4630	<b>Adult Vocational Education.</b> Refers to skill areas, such as distributive education, health, home economics, industrial arts, technology, and trades, designed to prepare adult students for gainful employment.
4750–4999	<b>Supplemental Education, K–12.</b> A group of activities and/or services designed to meet the needs of students in areas other than the basic skill areas. Supplemental education does not include special education.
4760	<b>Bilingual.</b> Activities and/or services provided to students from homes where English is not the primary language.
4850	<b>Migrant Education.</b> Activities and/or services provided for children under the age of 18 of migrant agricultural workers and migratory fishermen whose situations require additional resources through regional coordinating offices ( <i>Education Code</i> sections 54440–54445). This goal is used with the migrant education resources.
4900	<b>Other Supplemental Education (COE only).</b> Activities or programs offered by county offices of education to directly serve students who attend other schools and who are not students of the county office, such as Foster Youth Services or Tutors for Indian Education. This goal may be associated with Function 1000, Instruction, or Function 3110, Guidance and Counseling, for example.  County offices of education use Goal 3100 when providing services to students in their own programs, such as the Cal-SAFE County Classroom/Pregnant Minors Program, or Goal 8600 when providing services such as nursing or psychological services to direct service districts.
5000–5999	<b>Special Education.</b> Activities and/or services to students with exceptional needs who are assigned individualized education programs (IEPs). The activities and/or services in the IEPs are designed for students with exceptional mental or physical needs and incorporate distinctive techniques, materials, and arrangements to suit their learning needs.

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## Procedure 320     Goal Classification

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<u>Code</u>	<u>Definition</u>
	Psychologist services for assessment testing for students with an IEP are coded to goals 5000–5999, using Function 3120, Psychological Services.
5001	<b>Special Education—Unspecified.</b> This code is used to account for the costs of services that are not identified for a specific special education population or setting as listed below. Goal 5001 may not be used with the special education instruction functions. These costs must be directly charged to a definitive special education goal, such as Goal 5750, Special Education, Ages 5–22 Severely Disabled.
5050	<b>Regionalized Services.</b> Regionalized services to local special education programs include personnel development for staff, parents, and community; data collection; curriculum development; and provision for ongoing review of programs under the local plan ( <i>Education Code</i> Section 56836.23).
5060	<b>Regionalized Program Specialist.</b> A program specialist has a special credential and advanced training in special education to assist instructional staff, plan programs, and provide staff development in a specialized area ( <i>Education Code</i> sections 56362 and 56368). If a program specialist is working in a specific special education setting, his or her cost should be charged to that goal. If a program specialist is working on a regionalized basis, his or her cost should be charged to Goal 5060.
5710	<b>Special Education, Infants.</b> Children who are younger than three years of age and are identified by the district, the special education local plan area, or the county office as requiring intensive special education and services as defined by the State Board of Education ( <i>Education Code</i> Section 56026[c][1]).
5730	<b>Special Education, Preschool Students.</b> Children with exceptional needs between the ages of three and five years inclusive ( <i>Education Code</i> Section 56440). A five-year-old who meets the eligibility criteria to be identified as a kindergartner shall be included in either Goal 5750 or Goal 5770 ( <i>Education Code</i> Section 56441.1).
5750	<b>Special Education, Ages 5–22 Severely Disabled.</b> Students between the ages of five (who have been identified as kindergartners) and 18 years identified as requiring intensive special education and services and students between the ages of 19 and 21 years, and certain students 22 years of age, who are enrolled in or eligible for a special education program prior to their 19 <sup>th</sup> birthday and have not yet completed the prescribed course of study or who have not met proficiency standards or have not graduated from high school with a regular high school diploma ( <i>Education Code</i> Section 56026). Severely disabled students have the

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## Procedure 320      Goal Classification

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<u>Code</u>	<u>Definition</u>
	following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances, and/or severe mental retardation ( <i>Education Code</i> Section 56030.5).
5770	<b>Special Education, Ages 5–22 Nonseverely Disabled.</b> Students between the ages of five (who have been identified as kindergartners) and 18 years identified as requiring special education services and students between the ages of 19 and 21 years, and certain students 22 years of age, who are enrolled in or eligible for a special education program prior to their 19 <sup>th</sup> birthday and have not yet completed the prescribed course of study or who have not met proficiency standards or have not graduated from high school with a regular high school diploma ( <i>Education Code</i> Section 56026). Nonseverely disabled students are those who are not identified as severely disabled.
6000–6999	<b>Regional Occupational Center/Program (ROC/P)</b>
6000	<b>Regional Occupational Center/Program (ROC/P).</b> Refers to skill areas, such as agriculture, distributive education, health, home economics, industrial arts, technology, and trades designed to prepare students for gainful employment.
7000–9999	<b>OTHER GOALS</b>
7100–7199	<b>Nonagency</b>
7110	<b>Nonagency—Educational.</b> Refers to activities conducted on behalf of another local educational agency (LEA) by contract or agreement for which the other LEA retains the prime responsibility. An LEA is defined as all K–12 public educational agencies, including charter schools. Such services may be instructional or supportive in nature. Use for costs of providing special education, transportation, cafeteria, or any other services to other LEAs where the other LEA retains primary responsibility for providing those services.
7150	<b>Nonagency—Other.</b> Refers to activities conducted on behalf of a non-LEA agency by contract or agreement for which the other agency retains the prime responsibility. Such services may be instructional or supportive in nature. Contracts for a non-LEA, such as a community college or a private school, would be coded to this goal.
8100–8199	<b>Community Services</b>
8100	<b>Community Services.</b> A group of activities and/or services not directly related to the educational purpose and goals of an LEA. These include services and activities as authorized by the Community Recreation Act ( <i>Education Code</i>



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## Procedure 320      Goal Classification

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<u>Code</u>	<u>Definition</u>
	Section 10900 et seq.) and by the Civic Center Act ( <i>Education Code</i> Section 38130 et seq.).
8500–8599	<b>Child Care and Development Services</b>
8500	<b>Child Care and Development Services.</b> A group of activities and/or services pertaining to the operation of programs for the care of children in residential day schools or child care and development programs that are not a part of, or directly related to, LEA instructional goals. Child care and development programs that require teachers to possess a children's center instructional permit should be reported in an instructional goal, such as Goal 0001, General Education, Pre-K.
8600–8699	<b>County Services to Districts</b>
8600	<b>County Services to Districts (or other county offices).</b> Includes those activities performed by the county superintendent of schools in support of school districts or other offices of county superintendents of schools, including, but not limited to, the following: (a) coordination activities and professional services, such as supervision of instruction, health, guidance, special education, attendance, and school library services ( <i>Education Code</i> Section 1700 et seq.); (b) financial services ( <i>Education Code</i> Section 42100 et seq.); and (c) credential services ( <i>Education Code</i> Section 44330).  County offices of education that have staff within the county office or county board of education performing similar support-type activities for their own LEA and for their school districts may charge 50 percent of the costs as a direct cost to Goal 8600, County Services to Districts, and 50 percent of the costs as a direct cost to general administrative support using Goal 0000, Undistributed.
9000–9999	<b>Other Goals—Locally Defined.</b> These codes are used, at the option of the LEA, to track other local goals that are not defined elsewhere. CDE will consider these activities to be undistributed goal costs.
9000	<b>Other Local Goals.</b> Report local goals not defined elsewhere. These goals will be treated as Goal 0000, Undistributed, by the CDE financial reporting software and will be allocated among appropriate goals on the program cost report/allocation factor (PCR/PCRAF) work sheets.

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**T**he function field represents a general operational area in an LEA and groups together related activities. The function describes the activities or services performed in order to accomplish a set of objectives or goal. Most LEAs use all of the functions in the process of educating students or organizing the resources to educate students. For example, to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students, and provide health services. Each of these activities is a function.

### **How the Function Field Is Used**

All expenditures must be coded to a function. Although the function field applies mainly to expenditure accounts, it may be used with revenue accounts and balance sheet accounts at the discretion of the LEA.

In general, the following guidelines should be used in coding functions in combination with goals:

- Expenditures coded to instructional functions (1000–1999), ancillary service functions (4000–4999), or community service functions (5000–5999) must be directly charged to a specific goal. Goal 0000, Undistributed, and Goal 5001, Special Education—Unspecified, are not allowed with these three categories of functions.
- Expenditures coded to support service functions (2000–2999, 3000–3999) may be charged to a specific goal at the time of the transaction when there is supporting documentation. Expenditures coded to these functions that cannot be immediately identified to a specific goal are charged to Goal 0000 and subsequently distributed to specific goals using documentation or standard allocation factors.
- Expenditures coded to general administration functions (7000–7999) are normally charged to Goal 0000 and subsequently distributed as central administrative costs.
- Expenditures coded to Function 8100, Plant Maintenance and Operations, and Function 8700, Facilities Rents and Leases, may be charged to a specific goal at the time of the transaction when there is supporting documentation (refer to the description of Function 8700 for specific limitations of that function).

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Expenditures coded to these functions that cannot be immediately identified to a specific goal are charged to Goal 0000 and subsequently distributed to specific goals, using documentation or standard allocation factors.

See the procedures in Section 900, "Cost Accounting," for information regarding indirect costs and distributing support costs using the documented and allocated methods.

### Flexibility of the Function Field

The LEA may code its transactions to only the minimum level required by CDE, such as:

7100    Board and Superintendent  
7200    Other General Administration  
7700    Centralized Data Processing

Or the LEA may code its transactions to a more detailed level using the optional (*italicized*) codes presented in this manual, codes developed by the LEA, or a combination of both. For example, the LEA may decide to add its own functions for centralized data processing:

7700    Centralized Data Processing  
      7710        *Centralized Data Processing, Mainframe*  
      7720        *Centralized Data Processing, Workstations*

In this example, the LEA has used locally defined functions, which must be rolled up to Function 7700 for presentation of data to CDE.

*Caution:* If LEAs elect to add codes outside the ranges specifically reserved for this purpose, they should be aware that in the future these numbers could be preempted by CDE for other uses.

### Importance of the Function Field in the Indirect Cost Rate Calculation

The function field is the basis for determining direct and indirect costs and for calculating the LEA's approved indirect cost rate. Charging expenditures to improper functions may result in an indirect cost rate that is too low or too high. An inaccurate rate may cause problems both in claiming indirect costs on federal and state programs and in calculating future rates. Therefore, it is important that LEAs have an understanding of the difference between agencywide general administration expenditures

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(indirect costs) and school- or program-level expenditures (direct costs). Care should be taken that only countywide or districtwide administrative activities remain in general administration (functions 7200–7999). (Refer to Procedure 915 for further information on the indirect cost rate process.)

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### List of Function Codes

*(Italicized codes are optional.)*

<b><u>Code</u></b>	<b><u>Title</u></b>
<b>0000</b>	<b>NOT APPLICABLE.</b> Used with revenues and balance sheet transactions that do not require a function; only expenditure transactions require a function.
<b>1000–1999</b>	<b>INSTRUCTION</b>
1000	Instruction
<i>1001–1099</i>	<i>Instruction for Other Than Special Education—Locally Defined</i>
1100–1199	Special Education Instruction
1110	Special Education: Separate Classes
1120	Special Education: Resource Specialist Instruction
1130	Special Education: Supplemental Aids and Services in Regular Classrooms
1180	Special Education: Nonpublic Agencies/Schools (NPA/S)
1190	Special Education: Other Specialized Instructional Services
<b>2000–2999</b>	<b>INSTRUCTION-RELATED SERVICES</b>
2100	Instructional Supervision and Administration
<i>2110</i>	<i>Instructional Supervision</i>
<i>2120</i>	<i>Instructional Research</i>
<i>2130</i>	<i>Curriculum Development</i>
<i>2140</i>	<i>In-house Instructional Staff Development</i>
<i>2150</i>	<i>Instructional Administration of Special Projects</i>
2200	Administrative Unit (AU) of a Multidistrict SELPA
2420	Instructional Library, Media, and Technology
2490	Other Instructional Resources
<i>2495</i>	<i>Parent Participation</i>
2700	School Administration
<b>3000–3999</b>	<b>PUPIL SERVICES</b>
3110	Guidance and Counseling Services
3120	Psychological Services
3130	Attendance and Social Work Services
3140	Health Services
3150	Speech Pathology and Audiology Services
3160	Pupil Testing Services
3600	Pupil Transportation
3700	Food Services
3900	Other Pupil Services

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<b><u>Code</u></b>	<b><u>Title</u></b>
<b>4000–4999</b>	<b>ANCILLARY SERVICES</b>
4000	Ancillary Services
4100	<i>School-Sponsored Co-curricular</i>
4200	<i>School-Sponsored Athletics</i>
4900	<i>Other Ancillary Services</i>
<b>5000–5999</b>	<b>COMMUNITY SERVICES</b>
5000	Community Services
5100	<i>Community Recreation</i>
5400	<i>Civic Services</i>
5900	<i>Other Community Services</i>
<b>6000–6999</b>	<b>ENTERPRISE</b>
6000	Enterprise
<b>7000–7999</b>	<b>GENERAL ADMINISTRATION</b>
7100	Board and Superintendent
7110	<i>Board</i>
7120	<i>Staff Relations and Negotiations</i>
7150	<i>Superintendent</i>
7180	<i>Public Information</i>
7190	External Financial Audit—Single Audit
7191	External Financial Audit—Other
7200	Other General Administration
7210	General Administration Cost Transfers
7300	<i>Fiscal Services</i>
7310	<i>Budgeting</i>
7320	<i>Accounts Receivable</i>
7330	<i>Accounts Payable</i>
7340	<i>Payroll</i>
7350	<i>Financial Accounting</i>
7360	<i>Project-Specific Accounting</i>
7370	<i>Internal Auditing</i>
7380	<i>Property Accounting</i>
7390	<i>Other Fiscal Services</i>
7400	<i>Personnel/Human Resources Services</i>
7410	<i>Staff Development</i>
7430	<i>Credentials</i>
7490	<i>Other Personnel/Human Resources Services</i>
7500	<i>Central Support</i>
7510	<i>Planning, Research, Development, and Evaluation</i>
7530	<i>Purchasing</i>
7540	<i>Warehousing and Distribution</i>

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<b><u>Code</u></b>	<b><u>Title</u></b>
7550	<i>Printing, Publishing, and Duplicating</i>
7600	<i>All Other General Administration</i>
7700	Centralized Data Processing
<b>8000–8999</b>	<b>PLANT SERVICES</b>
8100	Plant Maintenance and Operations
8110	<i>Maintenance</i>
8200	<i>Operations</i>
8300	<i>Security</i>
8400	<i>Other Plant Maintenance and Operations</i>
8500	Facilities Acquisition and Construction
8700	Facilities Rents and Leases
<b>9000–9999</b>	<b>OTHER OUTGO</b>
9100	Debt Service
9200	Transfers Between Agencies
9300	Interfund Transfers



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### Function Code Definitions

*(Italicized codes are optional.)*

#### Code

#### Definition

*Note:* Also, see Appendix D, "Function Codes for Common Activities," for common activities and the function codes(s) typically associated with each.

**0000**

**NOT APPLICABLE.** This code is used for revenues and balance sheet transactions for which a function is not required. All expenditures must be coded to one of the functions below.

**1000–1999**

#### **INSTRUCTION**

Generally used with goals 1000–7000; may be used with Goal 8500, Child Care and Development Services, and Goal 4900, Other Supplemental Education.

**1000**

**Instruction.** Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom or in another location, such as a home or hospital. It may also be provided through some other approved medium, such as computers, television, radio, telephone, and correspondence. Included here are the activities of aides or classroom assistance of any type (e.g., readers, teaching machines) that assist in the instructional process. Also included are noon-duty personnel.

Expenditures for instructional technology, which include costs for computers, routers and servers, software licenses, communication lines, and computer maintenance, may be coded to Function 1000, Instruction, where they can be identified directly with the classroom.

If a stipend is paid to a teacher for any noninstructional function, the stipend should be coded to the appropriate function.

Expenditures for department chairpersons who teach part time should be prorated using the full-time-equivalent (FTE) ratio. Full-time department chairpersons' expenditures should be included in Function 2700, School Administration.

Instructional functions may not be used in capital project funds.

*1001–1099*

***Instruction for Other Than Special Education—Locally Defined.*** *Instruction provided for students in all goals except the special education goals. For reporting, these accounts are converted to Function 1000, Instruction.*

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<u>Code</u>	<u>Title</u>
<b>1100–1199</b>	<b>Special Education Instruction.</b> Specialized instruction provided to special education students with individualized education programs (IEPs). These functions measure the salaries and associated costs of those personnel who work directly with the students to teach them. The following instructional functions must be used with the special education goals; they may not be used with Goal 5001, Special Education—Unspecified.
1110	<b>Special Education: Separate Classes.</b> Salaries, supplies, and other costs to provide separate instruction requiring placement in a separate setting because of the nature or severity of the students' special needs. Instruction may be provided in special classrooms on a part-time or a full-time basis ( <i>Education Code</i> Section 56364). Students may receive a full continuum of services ( <i>Education Code</i> Section 56361); however, this function records the cost of only one of those services, that of the separate class.
1120	<b>Special Education: Resource Specialist Instruction.</b> Salaries, supplies, and other costs to provide instruction and services for those students whose needs have been identified in an IEP, who receive services under the direction of a resource specialist, and who are assigned to another classroom or a special education separate class for a majority of a school day ( <i>Education Code</i> Section 56362). Students may receive a full continuum of services ( <i>Education Code</i> Section 56361); however, this function records the cost of only one of those services, that of the resource specialist.
1130	<b>Special Education: Supplemental Aids and Services in Regular Classrooms.</b> Salaries, supplies, and other costs needed to allow a student to receive instruction provided in a regular education classroom or in an instructional setting other than those provided for in Function 1110, Special Education: Separate Classes; Function 1120, Resource Specialist Instruction; or Function 1180, Nonpublic Agencies/Schools. Supplemental aids and services make possible program modifications and blended programs with more flexibility for the special education student.

Function 1130 services include, but are not limited to, the following:

**Special Education Instructional Aides.** Teaching assistants necessary to allow a special education student to participate in a regular classroom.

**Interpreter Services.** Sign language interpretation of spoken language through the sign system of the student and tutoring of students regarding class content through the sign system of the student.

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<u>Code</u>	<u>Title</u>
	<p><b>Braille Services.</b> Transcription services to convert materials from print to Braille. Transcription is for textbooks, tests, work sheets, or other instructional necessities.</p> <p><b>Assistive Technology.</b> Devices that allow a student to participate in a regular classroom environment.</p> <p><b>Special Education Home and Hospital Instruction.</b> Instructional services provided to students with special needs who are either homebound or in a hospital.</p>
1180	<p><b>Special Education: Nonpublic Agencies/Schools (NPA/S).</b> Instruction in accord with an IEP provided by a certified NPA/S under contract with a district, special education local plan area (SELPA), or county office when no appropriate public education program is available (<i>Education Code</i> Section 56365).</p>
1190	<p><b>Special Education: Other Specialized Instructional Services.</b> Specialized instruction provided in accordance with an IEP on a pullout and/or blended basis to any special education student to supplement the instruction provided in a separate special education class, a nonpublic school, or a regular education setting. These services are instructional in nature and are provided by or under the supervision of certificated special education teachers. Other health, counseling, or psychological services provided to a special education student to help him or her benefit educationally from the regular instruction program are coded under the Pupil Services functions. The difference between types of services in an instructional function and a pupil services function sometimes may be difficult to distinguish. The main question to bear in mind is whether the student is receiving direct instruction or is being given a supplemental health or other professional service that facilitates instruction. For example, an adaptive physical education teacher provides an instructional service in which the main purpose of the class is to provide physical education. A nurse or dentist provides health care that enhances the physical condition of a student so that she or he is better able to participate in an instructional setting. As another example, a speech teacher may teach students using special techniques to help them speak and understand verbal signals, which would be coded to Function 1190; but a speech specialist, who diagnoses specific speech disorders and refers problems for medical or other professional attention to treat speech disorders, is more properly coded to Function 3150, Speech Pathology and Audiology Services.</p>

Function 1190 services include, but are not limited to, the following:

**Language and Speech.** Instruction provided by a certificated teacher in language and speech skills to provide remedial intervention for students with

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difficulty understanding or using spoken language. The difficulty may result from problems with articulation, abnormal voice quality, fluency, or hearing loss.

**Adaptive Physical Education.** Direct physical education services provided by an adaptive physical education teacher to pupils who have needs that cannot be adequately satisfied in other physical education programs.

**Orientation and Mobility Instruction.** Instruction for students with identified visual impairments to develop skills in body awareness and movement around school and in the community.

**Vocational Education Training.** Instruction directly related to the preparation of individuals for paid or unpaid employment. This instruction may include provision for work experience, job coaching, job placement, and situational assessment.

**Vision Services.** This is a broad category of services provided to students with visual impairments. Assessment of an individual's visual ability should be coded to Function 3140, Health Services. The cost of classroom visual aids, such as curriculum modification and Braille textbooks, used in a general classroom setting should be coded to Function 1130. Other specialized vision services coded to Function 1190 include the student's concept development; instruction in communication skills, such as reading Braille; and career, vocational, and independent living skills.

**Education Technological Services.** Any specialized training or technical support for the incorporation of assistive devices, adaptive computer technology, or specialized media for the educational programs of the student.

**Assistive Services.** Training or technical assistance for students. See Pupil Services functions for the functional analysis of the student's need, including selecting, designing, fitting, customizing, or repairing appropriate devices.

**Sign Language Service.** Instruction in the use of sign language. This training is provided separately for the student. The provision of interpreters in the classroom is coded to Function 1130, Supplemental Aids and Services in Regular Classrooms.

**2000–2999      INSTRUCTION-RELATED SERVICES.** Instruction-related services provide administrative, technical, and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of

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	instruction, community services, and enterprise programs rather than as entities within themselves.
2100	<p><b>Instructional Supervision and Administration.</b> Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. These activities include curriculum development and staff training on techniques of instruction and awareness of how children develop and learn. This function includes both staff members who are directors or supervisors of programs, such as special education, bilingual education, or similar programs, as well as staff who are singularly involved with projects to improve curriculum and guidance of teachers in the use of instructional materials.</p> <p>This function also includes the instructional administration of special projects. Special projects are those that may have their own project directors; are approved and funded from a specific resource, including federal, state, local, or private agencies; require special project budgets and audits; and may require financial reports. Special projects usually are conducted entirely in support of an instructional program or another support program. Examples of federal special projects include NCLB: Title I, Part A, Basic Grants Low-Income and Neglected, and Special Education: IDEA Local Staff Development Grant. Examples of state special projects include Economic Impact Aid and the School Improvement Program.</p> <p>Salaries and associated costs of staff members who provide supplemental administrative services for a program above the general level provided by the business office, or services normally required of program managers, should be charged here. Include costs of program monitoring and preparing program plans. Because these costs are generally associated with a specific program, they may be charged to a specific resource.</p> <p>Include legal costs directly identifiable with administration of an instructional program; use in combination with a specific resource, where allowed.</p> <p>Pursuant to guidance in Procedure 910, Program Cost Accounting, the costs of assistant superintendents for instruction or equivalent positions having first-line responsibility for instructional administration and for participation in district/county policy may be charged as follows:</p> <ul style="list-style-type: none"><li>• 50 percent to Instructional Supervision and Administration (Function 2100)</li><li>• 50 percent to Other General Administration (Function 7200)</li></ul>

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Function 2100 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.

2110        ***Instructional Supervision (Optional).*** Activities associated with directing, managing, and supervising instructional services.

2120        ***Instructional Research (Optional).*** Activities associated with assessing programs and instruction based on research.

2130        ***Curriculum Development (Optional).*** Activities that aid teachers in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques to stimulate and motivate students.

2140        ***In-house Instructional Staff Development (Optional).*** Expenditures for staff or consultants to develop curriculum for the professional or occupational growth and competence of instructional staff members during the time of their service to the school system or school. These activities include guiding teachers in the use of instructional materials, administering sabbaticals, providing the environment for in-service training, and so forth.

*The cost of a consultant who works with teachers outside the classroom should be charged to Function 2140, Staff Development, and Object 5800, Professional and Consulting Services and Operating Expenditures.*

*A fee paid for an employee to attend a conference or a salary stipend for attending a staff development conference should follow the function of the employee. For example, the cost of a classroom teacher improving his or her ability to teach is an instructional cost, an "activity dealing directly with the interaction between teachers and students," and should be charged to Function 1000. Likewise, the cost of a school nurse attending a staff development conference should be coded to Function 3140, Health Services. The cost of a maintenance employee attending staff development should be coded to Function 8100, Plant Maintenance and Operations. (Please refer to the examples in Procedure 625.)*

2150        ***Instructional Administration of Special Projects (Optional).*** Activities associated with the administration of special projects, such as Title I or migrant education. Special projects usually are conducted entirely in support of an instructional program or another support program. Include salaries of directors

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*or supervisors of instruction-related special projects and associated clerical or program support staff. Include costs of preparing program plans, program monitoring, and performance (program-specific) audits. Costs will generally be associated with a specific resource and may have a specific goal.*

2200

**Administrative Unit (AU) of a Multidistrict SELPA.** Activities concerned with the receipt and distribution of regionalized services funds, provision of administrative support, and coordination of the implementation of the local plan (*Education Code* Section 56195). Activities of the AU of a single-district SELPA are reported under Function 2100.

2420

**Instructional Library, Media, and Technology.** Activities concerned with the use of all teaching and learning resources, including hardware and content materials, methods, or experiences used for teaching and learning purposes. These activities consist of selecting, preparing, caring for, and making available to members of the instructional staff audiovisual equipment and material, education programs presented through television services, and computer-assisted instruction services. This category also includes guiding individuals in the use of library books and materials. All educational media include printed and nonprinted sensory materials. Instructional technology costs identified with computer labs and other instructional support centers may be charged to the instructional library, media, and technology function, where they can be directly identified with it.

Direct charges to the instructional library, media and technology function include salaries of librarians, library clerks, audiovisual personnel, and personnel who are involved in writing, programming, and directing ongoing educational television and computer-based instructional programs; benefits for employees in this program; library books, regardless of where they are placed in the district; audiovisual materials; repair and maintenance of equipment used in this program; and acquisition and replacement of audiovisual and library equipment

Examples of activities or items excluded as direct charges to the instructional library, media, and technology function are as follows:

1. Textbooks (to be charged to the appropriate instructional function)
2. Specific or special materials that are used exclusively in an instructional program or project and that are not part of the central library (to be charged to the appropriate instructional function as instructional supplies)
3. Computer-assisted instructional activities of an experimental nature (to be charged to instructional supervision and administration)

Function 2420 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal.

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<u>Code</u>	<u>Title</u>
	Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.
2490	<b>Other Instructional Resources.</b> Other activities and materials that provide students the resources to achieve appropriate student learning outcomes.
2495	<b><i>Parent Participation (Optional).</i></b> Activities designed to include the parents in the student's education.
2700	<b>School Administration.</b> Activities concerned with directing and managing the operation of a particular school. The activities include those performed by the principal, assistant principals, and other assistants while they supervise all operations of the school, evaluate the staff members, assign duties to staff members, supervise and maintain the school records, and coordinate school instructional activities with those of the LEA. These activities also include the work of clerical staff in support of the teaching and administrative duties, including school-level attendance recording and reporting. Other school administration services include graduation expenditures and department chairpersons.

Pursuant to guidance in Procedure 910, Program Cost Accounting:

Small school districts and charter schools that have one person performing the functions of both the principal and the superintendent may charge the costs as follows:

- 70 percent to School Administration (Function 2700)
- 30 percent to Board and Superintendent (Function 7100)

Small school districts and charter schools with staff members performing support duties for both school administration and business office administration may charge the costs as follows:

- 70 percent to School Administration (Function 2700)
- 30 percent to Other General Administration (Function 7200)

Function 2700 is generally used with Goal 0000, Undistributed. It may be used with goals 1000–7999 if only one goal is served at the school (e.g., if the school only provides Special Education or ROC/P services). It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.



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<u>Code</u>	<u>Title</u>
<b>3000–3999</b>	<b>PUPIL SERVICES</b>
3110	<b>Guidance and Counseling Services.</b> Activities involving counseling with students and parents; consulting with other staff members on learning problems; evaluating the abilities of students; assisting students as they make their own educational and career plans and choices; assisting students in personal and social development; providing referral assistance; and working with other staff members in planning and conducting guidance programs for students.

Function 3110 includes information services, appraisal services, placement services, counseling services, and record maintenance services, as follows:

**Information Services.** Activities for disseminating educational, occupational, personal, and social information to help acquaint students with the curriculum and with educational and vocational opportunities and requirements. Such information may be provided directly to students through activities such as group or individual guidance, or it may be provided indirectly to students through staff members or parents.

**Appraisal Services.** Activities that assess student characteristics. They are used in administration, instruction, and guidance to assist the student in assessing his or her purposes and progress in career and personality development.

**Placement Services.** Activities that help place students in appropriate situations while they are in school. These could be educational situations, part-time employment while they are in school, and appropriate educational and occupational situations after they leave school. These activities also help ease the student's transition from one educational experience to another. The transition may require, for example, admissions counseling, referral services, assistance with records, and follow-up communications with employers.

**Counseling Services.** Activities concerned with the relationship between one or more counselors and one or more students or between counselors and other staff members. These activities are intended to help students understand their educational, personal, and occupational strengths and limitations; relate their abilities, emotions, and aptitudes to educational and career opportunities; utilize their abilities in formulating realistic plans; and achieve satisfying personal and social development.

**Record Maintenance Services.** Activities for compiling, maintaining, and interpreting cumulative records of individual students, including systematic consideration of such factors as:

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<u>Code</u>	<u>Title</u>
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- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>• Home and family background</li><li>• Physical and medical status</li><li>• Standardized test results</li><li>• Personal and social development</li><li>• School performance</li></ul> |
|--|---|

Function 3110 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.

The following counseling services in this function should be coded to goals 5000–5999, Special Education:

**Behavior Management Services.** Services provided pursuant to an IEP to teachers, parents, or students by a professional counselor to promote lasting, positive changes in the student's behavior. These services result in the student gaining greater access to a variety of community settings, social contacts, public events, and placement in the least restrictive environment (*Title 5, California Code of Regulations*, Section 3001[d]).

**Individual Counseling.** One-on-one counseling pursuant to an IEP. Counseling may focus on educational, career, or personal aspects. It may include parents or staff members. Used with the special education goal, this service is expected to supplement the regular guidance and counseling program.

**Group Counseling.** Counseling in a group setting pursuant to an IEP. Typically, group counseling centers on social skills development, but it may also focus on educational, career, or personal aspects. It may be conducted with parents or staff. Used with the special education goal, this service is expected to supplement the regular guidance and counseling program.

**Guidance Services.** Interpersonal, intrapersonal, or family interventions pursuant to an IEP. Specific programs include social skills development, self-esteem building, parent training, and assistance to special education students. These services are expected to supplement the regular guidance and counseling program.

**Parent Counseling.** Individual or group counseling pursuant to an IEP to assist parents of special education students in better understanding and

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meeting their children's needs. Many counseling sessions include parenting skills or other pertinent issues. IEP-required parent counseling is expected to supplement the regular guidance and counseling program.

3120

**Psychological Services.** Activities concerned with administering psychological tests and interpreting the results; gathering and interpreting information about student behavior; working with other staff members in planning school programs to meet the special needs of students as indicated by psychological tests and behavioral evaluations; and planning and managing a program of psychological services, including psychological counseling for students, staff, and parents.

Function 3120 services include the following:

**Psychological Testing Services.** Activities concerned with administering psychological tests, standardized tests, and inventory assessments. These tests measure ability, aptitude, achievement, interests, and personality. Activities also include the interpretation of these tests for students, school personnel, and parents.

**Psychological Counseling Services.** Activities that take place between a school psychologist or other qualified person, a counselor, and one or more students in which the students are helped to perceive, clarify, and solve problems of adjustment and interpersonal relationships.

**Psychotherapy Services.** Activities that provide a therapeutic relationship between a qualified mental health professional and one or more students in which the students are helped to perceive, clarify, and solve emotional problems.

Function 3120 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.

Psychologist services for assessment testing for students with an individualized education program (IEP) are coded to goals 5000–5999.

3130

**Attendance and Social Work Services.** Activities designed to improve student attendance at school and prevent or solve student problems involving the home, the school, and the community. Attendance services consist of such activities as early identification of patterns of absence, promotion of pupils' and parents' positive attitudes toward attendance, analysis of causes of absences, and

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enforcement of compulsory attendance laws. The time spent on attendance recording and reporting on a school-level or districtwide basis is charged to the school or general administration function.

Social work services consist of such professional services as diagnosing the problems of pupils arising out of the home, school, or community; undertaking casework services for the child or parent or both; interpreting the pupils' problems for other staff members; and promoting modification of the circumstances surrounding the individual pupil that is related to his or her problem insofar as the resources of family, school, and community can be brought to bear on the problem.

Function 3130 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.

3140

**Health Services.** Physical and mental health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services, as follows:

**Medical Services.** Activities concerned with the physical and mental health of students, such as health appraisal, including screening for vision, communicable diseases, and hearing deficiencies; screening for psychiatric services; periodic health examinations; emergency injury and illness care; and communications with parents and medical personnel.

**Dental Services.** Activities associated with dental screening, dental care, and orthodontic activities.

**Nursing Services.** Activities associated with nursing, such as health inspection, treatment of minor injuries, and referrals for other health services.

Function 3140 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.

Goals 5000–5999, Special Education, may include the following services in this function:

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**Assessment Testing.** Individual health assessment done by a credentialed school nurse or physician for students who have or may be determined to need individualized education programs (*Education Code* Section 56324).

**Physical Therapy.** Services provided pursuant to an IEP by a registered physical therapist or physical therapist assistant when assessment shows a discrepancy between gross motor performance and other educational skills.

**Occupational Therapy.** Services provided to improve a student's postural stability, sensory processing and organization, environmental adaptation, motor planning and coordination, visual perception, and integration and fine motor abilities.

**Vision Services.** The assessment of functional vision and therapy to correct visual impairments.

**Health and Nursing.** Specialized physical health care services provided pursuant to an IEP, such as catheterization, nebulizer treatments, blood glucose monitoring, administration of oxygen, and any other specialized services that may be provided by a trained staff member and do not require the supervision of a physician. Other services provided pursuant to an IEP when a student has health problems that require nursing intervention beyond basic school health services include managing the health problem, consulting with staff, providing group and individual counseling, making appropriate referrals, and maintaining communication with agencies and health care providers.

3150

**Speech Pathology and Audiology Services.** Activities that identify, assess, and treat children with speech, hearing, and language impairments. Speech pathology services consist of activities that identify children with speech and language disorders; diagnose and assess specific speech and language disorders; refer problems for medical or other professional attention necessary to treat speech and language disorders; provide required speech treatment services; and counsel and guide children, parents, and teachers, as appropriate.

Audiology services consist of activities that identify children with hearing loss; determine the range, nature, and degree of hearing function; refer problems for medical or other professional attention appropriate to treat impaired hearing; treat language impairment; involve auditory training, speech reading (lip-reading), and speech conversation; create and administer programs of hearing conversation; and counsel and guide children, parents, and teachers, as appropriate.

Audiological services for special education students include measurements of acuity or consultation with speech pathologists. Classroom instruction by a

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certificated teacher in how to speak, read, or interpret verbal signals is more properly coded to Function 1190, Special Education: Other Specialized Instructional Services.

Function 3150 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.

Goals 5000–5999, Special Education, may include language and speech services to provide remedial intervention for individuals with difficulty understanding or using spoken language. Services include referral and assessment, monitoring, reviewing, and consultation.

3160

**Pupil Testing Services.** Cost of staff or consultants assigned to coordinate the standardized testing of students in academic contents. The cost of classroom teachers administering tests to their students during the instructional day remains a part of the instructional function.

Function 3160 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. It may also be used with Goal 8500, Child Care and Development Services, and Goal 8600, County Services to Districts. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.

3600

**Pupil Transportation.** Activities concerned with conveying students to and from school. Transportation other than from home to school is referred to as "Other Miles," which includes field trips and transportation between school sites. Costs of "Other Miles" are instructional costs to the user program or project.

Costs in the Pupil Transportation function include:

- Transportation supervisors, directors, bus drivers, clerks, and bus maintenance personnel
- Fuel, oil, tires, and parts for buses
- Contracted repair of buses
- Bus driver training and certification
- Contracts with individuals, other districts, and firms for transporting pupils
- Rental of buses
- Acquisition and replacement of equipment used for transporting pupils, including buses

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Costs in this function exclude:

- Field trips
- Student organization trips
- Summer school miles
- Financing costs (e.g., principal and interest for acquisition of buses)
- Principal and interest on school bus loans/capital leases
- Vehicles other than those used for student transportation

Costs for transportation other than home to school ("Other Miles") that are first accumulated in Function 3600 are to be transferred to other functions and/or resources using Object 5710, Transfers of Direct Costs. (See various examples in Procedure 640.) The documented method shall be used to distribute these costs. Documentation methods could include actual costs from the bus contractor or a fixed rate per mile plus the paid driver's layover time. All charges for pupil transportation services to organizations outside the district (parent-teacher associations, recreation districts, and so on) shall be made to the appropriate ancillary or community service function.

Costs for home-to-school transportation accumulated in Function 3600 may be charged to goals 1000–7000 as documented direct support costs. All other home-to-school transportation costs are charged to Goal 0000, Undistributed, and distributed to user programs (goals) using the Pupils Transported allocation factors. (Refer to Procedure 910 for additional information regarding documenting and allocating costs.)

Costs of providing specialized transportation services (e.g., buses with wheelchair lifts, aides who accompany children on the bus) specified in IEPs of special education pupils who are severely disabled or orthopedically impaired are reported in Goal 5750, Special Education, Ages 5–22 Severely Disabled. These costs are normally reported in Resource 7240, Transportation: Special Education (SD/OI), if the LEA receives a state transportation apportionment. If these costs are initially accumulated in Resource 7230, Transportation: Home to School, they are to be transferred to Resource 7240, Goal 5750, using Object 5710, Transfers of Direct Costs.

Costs of providing transportation services specified in IEPs of special education students who are not severely disabled or orthopedically impaired are reported in special education goals other than 5750. These costs are normally reported in Resource 7230, Transportation: Home to School, if the LEA receives a state transportation apportionment.

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<u>Code</u>	<u>Title</u>
3700	<p><b>Food Services.</b> Activities concerned with providing food to students and staff in a school or LEA. This service area includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.</p> <p>Costs in this function include those for:</p> <ul style="list-style-type: none"><li>• Food service supervisors, managers, directors, and related staff, such as bookkeepers and clerks</li><li>• Cooks and helpers</li><li>• Food purchases</li><li>• Nonfood purchases (e.g., plates, silverware, napkins) essential to providing food services to students</li><li>• Commodities</li><li>• Food services laundry</li><li>• Purchase of vehicles and other transportation costs, including insurance for those vehicles, for the purpose of transporting food from central locations to satellite locations</li><li>• Acquisition and replacement of related equipment</li><li>• Repair and maintenance of equipment used in this function</li><li>• Snacks for kindergarten classes</li><li>• Food purchased for lunches not reimbursed through the School Lunch Program</li></ul> <p>Costs in this function exclude food purchases for meetings or workshops or to instruct students on food preparation. Function 6000, Enterprise, is used for a catering service. (See the examples in Procedure 635.)</p> <p>Function 3700 is generally used with Goal 0000, Undistributed.</p>
3900	<p><b>Other Pupil Services.</b> Other support services to students not classified elsewhere in the 3000 functions.</p> <p>Function 3900 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific instructional goal, it may be used with that goal. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.</p>
<b>4000–4999</b>	<b>ANCILLARY SERVICES</b>
4000	<p><b>Ancillary Services.</b> School-sponsored activities during or after the school day that are not essential to the delivery of services in the functions 1000, 2000, and</p>



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3000 series. These activities are generally designed to provide students with experiences such as motivation and enjoyment and improvement of skills in either a competitive or noncompetitive setting.

Generally used with goals 1000–7000; may be used with Goal 8500, Child Care and Development Service, and Goal 4900, Other Supplemental Education.

**4100**        ***School-Sponsored Co-curricular (Optional).*** *School-sponsored activities, under the guidance and supervision of LEA staff, designed to provide students such experiences as motivation, enjoyment, and improvement of skills. Co-curricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech, and debate. Also included are student-financed and student-managed activities, such as Class of 20XX, Chess Club, Senior Prom, and Future Farmers of America. Athletics is coded to Function 4200.*

**4200**        ***School-Sponsored Athletics (Optional).*** *School-sponsored activities, under the guidance and supervision of LEA staff members who provide opportunities for students to pursue various aspects of physical education. Athletics normally involves competition between schools and frequently involves offsetting gate receipts or fees.*

**4900**        ***Other Ancillary Services (Optional).*** *Activities that provide students with learning experiences not included in the other Function 4000, Ancillary Services, accounts.*

### **5000–5999    COMMUNITY SERVICES**

**5000**        **Community Services.** Activities concerned with providing community services to community participants other than students. These include activities authorized by the Community Recreation Act (*Education Code* Section 10900 et seq.) and by the Civic Center Act (*Education Code* Section 38130 et seq.). Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, or a community child care center for working parents. This function is also used for scholarship payments.

Costs in this function include paid overtime or extra time for custodial services performed entirely as a result of community services activities.

Used with Goal 8100, Community Service, and Goal 8500, Child Care and Development Services.

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<u>Code</u>	<u>Title</u>
5100	<b><i>Community Recreation (Optional).</i></b> Activities concerned with providing recreation for the community as a whole or for some segment of the community. Included are such staff activities as organizing recreation programs for all citizens of the community at city parks, swimming pools, or school playgrounds.
5400	<b><i>Civic Services (Optional).</i></b> Activities concerned with providing services to civic affairs or organizations. This function includes services to parent-teacher association meetings, public forums, lectures, and civil defense planning.
5900	<b><i>Other Community Services (Optional).</i></b> Community services activities that cannot be classified under the preceding areas of responsibility. "Other" may include public library services and welfare activities.
<b>6000–6999</b>	<b>ENTERPRISE</b>
6000	<b>Enterprise.</b> Activities that are financed and operated in a manner similar to private business enterprises, where the stated intent is that the costs are financed or recovered primarily through user charges. Food services that are part of child nutrition programs should not be charged here, even if the food service program is reported in an enterprise fund, but rather to Function 3700 because costs are financed in large part through federal and state revenues. This function is used when an LEA is selling goods or services to outside organizations.  Function 6000 should be used with activities of Fund 67, Self-Insurance Fund, and Fund 71, Retiree Benefit Fund.  It is generally used with Goal 0000, Undistributed.
<b>7000–7999</b>	<b>GENERAL ADMINISTRATION</b>
	General administration refers to agencywide administrative activities that are accounted for in the general fund. General administration functions are normally used with Resource 0000, Unrestricted, and Goal 0000, Undistributed. For information on resource-specific administrative costs, see Function 2100, Instructional Supervision and Administration.
7100	<b>Board and Superintendent.</b> Activities concerned with establishing and administering policy for operating the LEA.  Generally, this function is used with Goal 0000, Undistributed.

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Pursuant to guidance in Procedure 910, Program Cost Accounting, small school districts and charter schools that have one person performing the functions of both the principal and the superintendent may charge the costs as follows:

- 70 percent to School Administration (Function 2700)
- 30 percent to Board and Superintendent (Function 7100)

7110

***Board (Optional).*** Activities of the elected body that has been created according to state law and vested with responsibilities for educational activities in a given administrative unit.

*Costs in this function include:*

- Activities of the members of the Board of Education
- Activities of the district performed in support of school district meetings
- Legal activities in interpretation of the laws and statutes and general liability situations. Note: Legal costs identifiable with a specific activity generally may be charged to that activity (e.g., Function 2100, Instructional Supervision and Administration; Function 7300, Fiscal Services; Function 7400, Personnel/Human Resources Services; Function 8500, Facilities Acquisitions and Construction).
- Services rendered in connection with any school system election, including elections of officers and bond elections

7120

***Staff Relations and Negotiations (Optional).*** Incremental costs of activities, not including those of the board or superintendent or their immediate staff, concerned with staff relations systemwide and the responsibilities for contractual negotiations with both instructional and noninstructional personnel. Costs in this function are included in the LEA's indirect cost pool (see "Indirect Cost Rate Work Sheet," page 915-10).

7150

***Superintendent (Optional).*** Activities associated with the overall general administration of or executive responsibility for the entire LEA.

*Costs in this function include:*

- Activities performed by the superintendent and such assistants as deputy, associate, and assistant superintendents in generally directing and managing all affairs of the LEA, unless the activities of such assistants can be placed properly into an instructional or pupil service area, in which case they would be charged to that service area
- Personnel and materials in the office of the chief executive officer

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<u>Code</u>	<u>Title</u>
	<ul style="list-style-type: none"><li>• <i>Activities associated with community/public relations</i></li><li>• <i>Activities associated with developing and maintaining good relationships with state and federal officials</i></li><li>• <i>Activities associated with grant procurement</i></li></ul>
7180	<b>Public Information (Optional).</b> <i>Writing, editing, and other activities necessary for the preparation and dissemination of educational and administrative information to the public through various news media or personal contact.</i>
7190	<b>External Financial Audit—Single Audit.</b> Annual independent financial audits conducted pursuant to both <i>Education Code</i> Section 14503 and the Single Audit Act as required for LEAs that expend more than \$500,000 in federal funds. Costs in this function are included in the LEA's indirect cost pool (refer to "Indirect Cost Rate Work Sheet," page 915-10).
7191	<b>External Financial Audit—Other.</b> Annual independent financial audits conducted pursuant to <i>Education Code</i> Section 14503, where the LEA expends less than \$500,000 in federal funds and a single audit is not required.
7200	<b>Other General Administration.</b> Activities other than Function 7110, Board, and Function 7150, Superintendent, which manage the LEA as an overall entity. Other General Administration activities include fiscal services, personnel services, and central support services. Include attendance recording and reporting activities performed at the LEA level. Attendance activities performed at the school level should be charged to Function 2700, School Administration.  Certain insurance should be charged to a specific function, such as Function 1000, Instruction, for pupil insurance and driver training vehicle insurance; Function 3600, Pupil Transportation, for insurance on buses; and Function 3700, Food Services, for insurance on food service vehicles. All other costs of property or general liability insurance not charged to a specific function should be charged to Function 7200, Other General Administration; or optionally to Function 7600, All Other General Administration.  Pursuant to guidance in Procedure 910, Program Cost Accounting:  The costs of assistant superintendents for instruction or equivalent positions having first-line responsibility for instructional administration and for participation in district/county policy may be charged as follows:

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- 50 percent to Instructional Supervision and Administration (Function 2100)
- 50 percent to Other General Administration (Function 7200)

Small school districts and charter schools with staff performing support duties for both school administration and business office administration may charge the costs as follows:

- 70 percent to School Administration (Function 2700)
- 30 percent to Other General Administration (Function 7200)

Agencywide administrative costs are not directly expended in any fund other than the general fund. Because of the agencywide nature of the costs, with few exceptions, Function 7200 and its optional subfunctions 7300–7600 are used with unrestricted resources (0000–1999). They are normally used with Goal 0000, Undistributed; Goals 7100–7199, Nonagency; or Goal 8600, County Services to Districts.

7210

**General Administration Cost Transfers.** Use in combination with Object 7310, Transfers of Indirect Costs, and Object 7350, Transfers of Indirect Costs—Interfund, to record indirect cost transfers. Might also be used in combination with Object 7370, Transfers of Direct Support Costs, and Object 7380, Transfers of Direct Support Costs—Interfund, to record any transfers of administrative costs other than indirect costs, such as the administrative expenses incurred by the general fund to calculate and collect developers' fees or the costs of charter school oversight for a charter school that is reported in the LEA's Fund 09, Charter School Special Revenue Fund.

Use this function to record both the debit and credit for these transfers. For transfers within a fund, this function must balance to zero at the fund level. For interfund transfers, the function will have a balance at the fund level but must balance to zero across all funds.

7300

***Fiscal Services (Optional).*** Activities concerned with the fiscal operations of the LEA. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal auditing, and managing funds. Include legal costs directly identifiable with fiscal services activities.

7310

***Budgeting (Optional).*** Activities concerned with supervising budget planning, formulation, control, and analysis.

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<u>Code</u>	<u>Title</u>
7320	<b><i>Accounts Receivable (Optional).</i></b> Activities concerned with receiving money. They include the current audit of receipts.
7330	<b><i>Accounts Payable (Optional).</i></b> Activities concerned with paying out money. They include the preaudit of requisitions or purchase orders to determine whether the amounts are within the budgetary allowances and to determine whether such disbursements are lawful expenditures of the LEA.
7340	<b><i>Payroll (Optional).</i></b> Activities concerned with periodically paying individuals entitled to remuneration for services rendered.
7350	<b><i>Financial Accounting (Optional).</i></b> Activities concerned with maintaining records of the financial operations and transactions of the school system. They include such activities as accounting and interpreting financial transactions and account records.
7360	<b><i>Project-Specific Accounting (Optional).</i></b> Activities concerned with maintaining the records of financial operations and transactions of specific projects. Examples might include business office staff assigned to construction cost accounting or preparation of analyses or reports for specific project areas or activities. For resource-specific project activities, see Function 2100, Instructional Supervision and Administration, and optional Function 2150, Instructional Administration of Special Projects.
7370	<b><i>Internal Auditing (Optional).</i></b> Activities concerned with verifying the account records, which include evaluating the adequacy of the internal control system, verifying and safeguarding assets, reviewing the reliability of the accounting and reporting systems, and ascertaining compliance with established policies and procedures.
7380	<b><i>Property Accounting (Optional).</i></b> Activities concerned with preparing and maintaining current inventory records of land, buildings, and equipment. These records are used in equipment control and facilities planning.
7390	<b><i>Other Fiscal Services (Optional).</i></b> Fiscal services that cannot be classified under the preceding functions.
7400	<b><i>Personnel/Human Resources Services (Optional).</i></b> Activities concerned with maintaining an efficient staff for the school system. It includes such activities as recruitment and placement, staff transfers, health services, and staff accounting. Include legal costs directly identifiable with personnel/human resources services activities.

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<u>Code</u>	<u>Title</u>
7410	<b>Staff Development (Optional).</b> Activities concerned with developing districtwide training programs for noninstructional personnel in all classifications.
7430	<b>Credentials (Optional).</b> Activities related to credential services.
7490	<b>Other Personnel/Human Resources Services (Optional).</b> Personnel services that cannot be classified under the preceding functions.
7500	<b>Central Support (Optional).</b> Activities other than general administration that support the instructional and supporting services programs. These activities include planning, research, development, evaluations, purchasing, distribution, and warehousing services for the LEA.
7510	<b>Planning, Research, Development, and Evaluation (Optional).</b> Activities associated with conducting and managing programs of planning, research, development, and evaluation for a school system on a systemwide basis, including costs of facility planning and administration not directly identifiable with a capital project.  <u>Planning Services</u> include activities concerned with selecting or identifying the overall, long-range goals and priorities of the organization. They also involve formulating various courses of action needed to achieve these goals. This is done by identifying needs and relative costs and benefits of each course of action.  <u>Research Services</u> include activities concerned with the systematic study and investigation of the various aspects of education and undertaken to establish facts and principles.  <u>Development Services</u> include activities in the deliberate, evolving process of improving educational programs, such as activities using the products of research.  <u>Evaluation Services</u> include activities concerned with ascertaining or judging the value or amount of an action or an outcome. Evaluation is done through a careful appraisal of previously specified data in light of the particular situation and goals previously established.
7530	<b>Purchasing (Optional).</b> Activities concerned with purchasing supplies, furniture, equipment, and materials used in schools or school system operations.

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<u>Code</u>	<u>Title</u>
7540	<b><i>Warehousing and Distribution (Optional).</i></b> Activities of receiving, storing, and distributing supplies, furniture, equipment, materials, and mail.
7550	<b><i>Printing, Publishing, and Duplicating (Optional).</i></b> Activities of printing and publishing administrative publications, such as annual reports, school directories, and manuals. Activities here also include centralized services for duplicating school materials and instruments, such as school bulletins, newsletters, and notices. Those costs of centralized duplicating and reproduction services that benefit specific programs may be accumulated here but should be transferred to those programs as direct costs using Object 5710, Transfers of Direct Costs, or Object 5750, Transfers of Direct Costs—Interfund.
7600	<b><i>All Other General Administration (Optional).</i></b> All other general administrative services not classified elsewhere in functions 7300–7500.
7700	<b>Centralized Data Processing.</b> This function is for expenditures/expenses for agencywide data processing services, whether in-house or contracted. Examples of this function are costs for computer facility management, computer processing, systems development, analysis and design, and interfacing associated with general types of technical assistance to data users. Specific types of applications include attendance accounting, grade reporting, financial accounting, and human resources/personnel. Personal computers (PCs) that are stand-alone are to be charged to a function other than Function 7700. Peripherals, including terminals and printers, are also to be charged to a function other than Function 7700. Costs associated with mainframe computers, minicomputers, and networked or stand-alone microcomputers that provide services to multiple functions are recorded here.  Costs in this function include: <ul style="list-style-type: none"><li>• Salaries and other expenditures/expenses (including hardware/software maintenance) for PC networks that include student and general administrative software and serve multiple functions. If these costs can be directly identified as instructional (Functions 1000–1999) or instructional support (Functions 2000–2999), they should be charged to the appropriate function.</li><li>• Network managers for noninstructional computer networks.</li><li>• Salaries and other expenditures/expenses (including hardware/software maintenance) for minicomputers that include student and general administrative software and serve multiple functions.</li></ul>



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<u>Code</u>	<u>Title</u>
	<ul style="list-style-type: none"><li>• Salaries and other expenditures/expenses (including hardware/software maintenance) for mainframe computers that include student and general administrative software and serve multiple functions.</li><li>• Management Information Systems (MIS) directors</li></ul> <p>Costs in this function exclude:</p> <ul style="list-style-type: none"><li>• Stand-alone or networked computers used by a specific functional area</li><li>• Instructional computer networks</li><li>• Instructional technology coordinator</li></ul> <p>Function 7700 is generally used with Goal 0000, Undistributed.</p>
<b>8000–8999</b>	<b>PLANT SERVICES.</b> Activities concerned with keeping the physical plant open, comfortable, and safe for use and keeping the grounds, buildings, and equipment in working condition and a satisfactory state of repair. These include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools.
8100	<p><b>Plant Maintenance and Operations.</b> This function is used for expenditures related to activities to keep the physical plant and grounds open, clean, comfortable, and in working condition and a satisfactory state of repair. This function is used to record expenditures for the maintenance and operation of the physical plant and grounds.</p> <p>Do not use Function 8100 for a capital project that extends the life and the value of a capital asset. (See Function 8500, Facilities Acquisition and Construction.)</p> <p>Function 8100 is generally used with Goal 0000, Undistributed. If directly identifiable with a specific goal, it may be used with that goal. Support costs charged directly to a specific goal require supporting documentation indicating how the costs relate to the goal.</p>
8110	<p><b><i>Maintenance (Optional).</i></b> Activities involved with repairing, restoring, or renovating school property, including grounds, buildings, site improvements, building fixtures, and service systems.</p> <p><i>Direct charges to the maintenance function may include contracts for repairing, restoring, or renovating the grounds, buildings, or equipment, including regrading sites and repairing retaining walls, walks, driveways, sprinkler systems, and playground apparatus or equipment; reseeding of lawns; repainting; repairs to or replacement of roofs, walls, heating and air-conditioning units, and electrical and plumbing installations; repairs to</i></p>

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*built-in fixtures; resurfacing and refinishing of floors; movement of movable walls or partitions; and acquisition and replacement of related equipment.*

*Use for building repairs and renovations that do not meet the LEA's capitalization threshold.*

8200

**Operations (Optional).** Activities concerned with keeping the physical plant clean and ready for daily use. Included activities are cleaning and disinfecting; heating, lighting and ventilation; maintenance of power; moving of furniture; caring for grounds; garbage and trash disposal; laundry and dry cleaning service, including the rental of towels; rental of equipment, such as floor polishers; softwater service; and such other housekeeping activities as are repeated on a daily, weekly, monthly, or seasonal basis.

*Direct charges to the operations function may include salaries of directors and supervisors of operations, custodians, guards, gardeners, telephone switchboard operators, truck drivers, operational clerks, and similar employee(s); employee benefits for all employees in this program; supplies, including brooms, brushes, disinfectants, fuses, garbage cans, light bulbs and fluorescent tubes, mops, wax, soap, toilet paper, towels, outdoor flags, weed killers, and fertilizers; office supplies; repair and maintenance of equipment used in this program; acquisition and replacement of related equipment; and nonuse fees assessed by the state for unused school sites (Education Code Section 17219).*

8300

**Security (Optional).** Activities concerned with maintaining order and safety in school buildings, on the school grounds, and in the vicinity of schools at all times. Included are police activities for school functions, traffic control on grounds and in the vicinity of schools, building alarm systems, and hall monitoring services.

8400

**Other Plant Maintenance and Operations (Optional).** Operations and maintenance of plant services that cannot be classified elsewhere in functions 8100–8399.

8500

**Facilities Acquisition and Construction.** Activities concerned with capital projects, such as acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites. Capitalize projects that extend the life and value of a site, building, or major equipment and that exceed the LEA's capitalization threshold. Documented time of a project manager to a

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capital project may be capitalized. Include legal costs directly identifiable with a capital project.

Facility costs that are not clearly identifiable to a capital project should not be charged to Function 8500. Facility planning or administration should be charged to Function 7200, Other General Administration, or to optional Function 7510, Planning, Research, Development, and Evaluation. Facility improvements that do not significantly extend the life or increase the value of a site or building or that do not meet the LEA's threshold for capitalization should be charged to Function 8100, Plant Maintenance and Operations.

Most commonly used with Objects 6100–6300 but may also be used with Object 6400 and with most objects in the 1000–5999 range.

Refer to Procedure 770, "Distinguishing Between Supplies and Equipment," for additional information on capitalization concepts.

8700

**Facilities Rents and Leases.** Activities concerned with acquiring facilities through operating leases or rentals without the option to purchase. This function does not include capital lease payments. Capital lease payments are debt service and are charged to all other outgo.

Generally, costs of leased or rented facilities are considered agencywide costs of doing business and are shared equitably by all programs. Costs may be charged to a specific program only if renting or leasing a facility is required by state or federal agencies for programmatic purposes, such as on a site where no agency-owned facilities are located. Supporting documentation of the requirement is necessary.

As an example, a county office leases a classroom from a school district to house a special education class. The action is necessary for programmatic purposes because the special education class is required by the state to be conducted at a regular school site for mainstreaming purposes. The county office owns no regular education schools where the class could be located. The lease payments would be charged as documented direct support costs to a special education goal.

Alternatively, a school district leases ROP classroom space in a facility that is near the shopping center where most ROP students are being trained. However, because housing the ROP classes rather than other program classes in the rented facility was a district administrative decision and not a state or federal requirement, the cost of the lease payments would be charged to the Goal 0000, Undistributed, and subsequently distributed to all district programs as allocated support costs.

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## Procedure 325      Function (Activity) Classification

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### Code

### Title

The temporary rental of a facility incidental to a particular activity, such as hourly or daily rental of a hall for a staff development workshop or rental of an auditorium for a school graduation, should be charged to the same function as the benefiting activity.

### **9000–9999      OTHER OUTGO**

Used with Goal 0000, Undistributed.

**9100      Debt Service.** Servicing the debt of the LEA, including issuance costs and payments of both principal and interest. Normally, only long-term debt service (obligations exceeding one year) is recorded here. It should also be used to record that portion of direct costs for issuing tax and revenue anticipation notes (TRANs), bonds, or certificates of participation (COPs), including interest expense, which is equal to or less than investment earnings on the proceeds. If costs exceed investment earnings, the excess costs are to be charged to Function 7200, Other General Administration. If long-term debt is issued at a discount, the discount should be recorded in this function with Object 7699, All Other Financing Uses.

**9200      Transfers Between Agencies.** These include outgoing tuitions and transfers of apportionments and resources. Transfers may be to other LEAs and to all other agencies.

**9300      Interfund Transfers.** Financial outflows to other funds of the LEA that are not classified as quasi-external transactions, reimbursements, loans, or advances.

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## Procedure 330    Object Classification

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The object field classifies expenditures according to the types of items purchased or services obtained. It classifies revenues by the general source and type of revenue. It also classifies balance sheet accounts as assets, liabilities, or fund balance.

### How the Object Field Is Used

The object field applies to expenditures, revenues, and balance sheet accounts.

### Flexibility of the Object Field

The LEA may code its transactions to only the minimum level required by CDE, such as:

1100 Teachers' Salaries  
1200 Certificated Pupil Support Salaries  
1300 Certificated Supervisors' and Administrators' Salaries  
1900 Other Certificated Salaries

Or the LEA may make use of the last two digits to add more detail to the object codes. Since the locally defined codes must be rolled up into the CDE-defined level of detail, the definitions must be compatible. For example:

1100 Teachers' Salaries  
    1110 Teachers' Salaries, full-time permanent positions  
    1120 Teachers' Salaries, part-time positions  
    1130 Teachers' Salaries, substitutes

In this example, the LEA has used locally defined objects that must be rolled up to Object 1100, Teachers' Salaries, for presentation of data to CDE.

*Note:* If LEAs elect to add codes, they should be aware that in the future, these numbers may be preempted by CDE for other uses.

The fourth digit of objects 3000–3999 has been restricted by CDE to a specific definition. The third digit is available for LEA use if it rolls up to zero when submitted to CDE. For example:

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**Procedure 330      Object Classification**

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3401	Health and Welfare Benefits, certificated positions
3411	<i>Health and Welfare Benefits, certificated positions, instructional</i>
3421	<i>Health and Welfare Benefits, certificated positions, administrative</i>

In this example, the LEA has used locally defined objects using the third digit. These must be rolled up to Object 3401, Health and Welfare Benefits, certificated positions.

In this example, the LEA has used locally defined objects using the third digit. These must be rolled up to Object 3401, Health and Welfare Benefits, certificated positions.

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## Procedure 330    Object Classification

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### List of Object Codes

*(Italicized codes are optional.)*

<u>Code</u>	<u>Title</u>
<b>1000–7999</b>	<b>EXPENDITURES</b>
1000–1999	Certificated Personnel Salaries
1100	Teachers' Salaries
1200	Certificated Pupil Support Salaries
1300	Certificated Supervisors' and Administrators' Salaries
1900	Other Certificated Salaries
2000–2999	Classified Personnel Salaries
2100	Instructional Aides' Salaries
2200	Classified Support Salaries
2300	Classified Supervisors' and Administrators' Salaries
2400	Clerical, Technical, and Office Staff Salaries
2900	Other Classified Salaries
3000–3999	Employee Benefits
3101	State Teachers' Retirement System, certificated positions
3102	State Teachers' Retirement System, classified positions
3201	Public Employees' Retirement System, certificated positions
3202	Public Employees' Retirement System, classified positions
3301	OASDI/Medicare/Alternative, certificated positions
3302	OASDI/Medicare/Alternative, classified positions
3401	Health and Welfare Benefits, certificated positions
3402	Health and Welfare Benefits, classified positions
3501	State Unemployment Insurance, certificated positions
3502	State Unemployment Insurance, classified positions
3601	Workers' Compensation Insurance, certificated positions
3602	Workers' Compensation Insurance, classified positions
3701	OPEB, Allocated, certificated positions
3702	OPEB, Allocated, classified positions
3751	OPEB, Active Employees, certificated positions
3752	OPEB, Active Employees, classified positions
3801	PERS Reduction, certificated positions
3802	PERS Reduction, classified positions
3901	Other Benefits, certificated positions
3902	Other Benefits, classified positions

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Title</u>
4000–4999	Books and Supplies
4100	Approved Textbooks and Core Curricula Materials
4200	Books and Other Reference Materials
4300	Materials and Supplies
4400	Noncapitalized Equipment
4700	Food
5000–5999	Services and Other Operating Expenditures
5100	Subagreements for Services
5200	Travel and Conferences
5300	Dues and Memberships
5400	Insurance
5440	<i>Pupil Insurance</i>
5450	<i>Other Insurance</i>
5500	Operations and Housekeeping Services
5600	Rentals, Leases, Repairs, and Noncapitalized Improvements
5700–5799	Transfers of Direct Costs
5710	Transfers of Direct Costs
5750	Transfers of Direct Costs—Interfund
5800	Professional/Consulting Services and Operating Expenditures
5900	Communications
6000–6999	Capital Outlay
6100	Land
6170	Land Improvements
6200	Buildings and Improvements of Buildings
6300	Books and Media for New School Libraries or Major Expansion of School Libraries
6400	Equipment
6500	Equipment Replacement
6900	Depreciation Expense (for proprietary and fiduciary funds only)
7000–7499	Other Outgo
7100–7199	Tuition
7110	Tuition for Instruction Under Interdistrict Attendance Agreements
7130	State Special Schools
7141	Other Tuition, Excess Costs, and/or Deficit Payments to School Districts or Charter Schools
7142	Other Tuition, Excess Costs, and/or Deficit Payments to County Offices
7143	Other Tuition, Excess Costs, and/or Deficit Payments to JPAs
7200–7299	Other Transfers Out
7211	Transfers of Pass-Through Revenues to Districts or Charter Schools
7212	Transfers of Pass-Through Revenues to County Offices



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**Procedure 330     Object Classification**

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<b><u>Code</u></b>	<b><u>Title</u></b>
7213	Transfers of Pass-Through Revenues to JPAs
7221	Transfers of Apportionments to Districts or Charter Schools
7222	Transfers of Apportionments to County Offices
7223	Transfers of Apportionments to JPAs
7280	Transfers to Charter Schools in Lieu of Property Taxes
7281	All Other Transfers to Districts or Charter Schools
7282	All Other Transfers to County Offices
7283	All Other Transfers to JPAs
7299	All Other Transfers Out to All Others
7300–7399	Transfers of Indirect/Direct Support Costs
7310	Transfers of Indirect Costs
7350	Transfers of Indirect Costs—Interfund
7370	Transfers of Direct Support Costs
7380	Transfers of Direct Support Costs—Interfund
7430–7439	Debt Service
7432	State School Building Repayments
7433	Bond Redemptions
7434	Bond Interest and Other Service Charges
7435	Repayment of State School Building Fund Aid—Proceeds from Bonds
7436	Payments to Original District for Acquisition of Property
7438	Debt Service—Interest
7439	Other Debt Service—Principal
7600–7699	Other Financing Uses
7600–7629	Interfund Transfers Out
7611	From General Fund to Child Development Fund
7612	Between General Fund and Special Reserve Fund
7613	To State School Building Fund/County School Facilities Fund from All Other Funds of the District
7614	From Bond Interest and Redemption Fund to General Fund
7615	From General, Special Reserve, and Building Funds to Deferred Maintenance Fund
7616	From General Fund to Cafeteria Fund
7619	Other Authorized Interfund Transfers Out
7630–7699	All Other Financing Uses
7651	Transfers from Funds of Lapsed/Reorganized LEAs
7699	All Other Financing Uses
<b>8000–8999</b>	<b>REVENUES</b>
8010–8099	Revenue Limit Sources
8010–8019	Principal Apportionment
8011	Revenue Limit State Aid—Current Year

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**Procedure 330     Object Classification**

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<b><u>Code</u></b>	<b><u>Title</u></b>
8015	Charter Schools General Purpose Entitlement—State Aid
8019	Revenue Limit State Aid—Prior Years
8020–8039	Tax Relief Subventions
8021	Homeowners' Exemptions
8022	Timber Yield Tax
8029	Other Subventions/In-Lieu Taxes
8040–8079	County and District Taxes
8041	Secured Roll Taxes
8042	Unsecured Roll Taxes
8043	Prior Years' Taxes
8044	Supplemental Taxes
8045	Education Revenue Augmentation Fund (ERAF)
8047	Community Redevelopment Funds
8048	Penalties and Interest from Delinquent Taxes
8070	Receipts from County Board of Supervisors
8080–8089	Miscellaneous Funds
8081	Royalties and Bonuses
8082	Other In-Lieu Taxes
8089	Less: Non-Revenue Limit (50 Percent) Adjustment
8090–8099	Revenue Limit Transfers
8091	Revenue Limit Transfers—Current Year
8092	PERS Reduction Transfer
8097	Property Taxes Transfers
8099	Revenue Limit Transfers—Prior Years
8100–8299	Federal Revenue
8110	Maintenance and Operations (Public Law 81-874)
8181	Special Education—Entitlement
8182	Special Education—Discretionary Grants
8220	Child Nutrition Programs
8260	Forest Reserve Funds
8270	Flood Control Funds
8280	U.S. Wildlife Reserve Funds
8281	FEMA
8285	Interagency Contracts Between LEAs
8287	Pass-Through Revenues from Federal Sources
8290	All Other Federal Revenue
8300–8599	Other State Revenue
8311	Other State Apportionments—Current Year
8319	Other State Apportionments—Prior Years
8425	Year-Round School Incentive
8434	Class Size Reduction, Grades K–3

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**Procedure 330    Object Classification**

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<b><u>Code</u></b>	<b><u>Title</u></b>
8435	Class Size Reduction, Grade Nine
8480	Charter Schools Categorical Block Grant
8520	Child Nutrition
8530	Child Development Apportionments
8540	Deferred Maintenance Allowance
8545	School Facilities Apportionments
8550	Mandated Cost Reimbursements
8560	State Lottery Revenue
8571–8579	Tax Relief Subventions
8571	Voted Indebtedness Levies, Homeowners' Exemptions
8572	Voted Indebtedness Levies, Other Subventions/In-Lieu Taxes
8575	Other Restricted Levies, Homeowners' Exemptions
8576	Other Restricted Levies, Other Subventions/In-Lieu Taxes
8587	Pass-Through Revenues from State Sources
8590	All Other State Revenue
8600–8799	Other Local Revenue
8610–8629	County and District Taxes
8611	Voted Indebtedness Levies, Secured Roll
8612	Voted Indebtedness Levies, Unsecured Roll
8613	Voted Indebtedness Levies, Prior Years' Taxes
8614	Voted Indebtedness Levies, Supplemental Taxes
8615	Other Restricted Levies, Secured Roll
8616	Other Restricted Levies, Unsecured Roll
8617	Other Restricted Levies, Prior Years' Taxes
8618	Other Restricted Levies, Supplemental Taxes
8621	Parcel Taxes
8622	Other Non-Ad Valorem Taxes
8625	Community Redevelopment Funds Not Subject to Revenue Limit Deduction
8629	Penalties and Interest from Delinquent Non-Revenue Limit Taxes
8631–8639	Sales
8631	Sale of Equipment and Supplies
8632	Sale of Publications
8634	Food Service Sales
8639	All Other Sales
8650	Leases and Rentals
8660	Interest
8662	Net Increase (Decrease) in the Fair Value of Investments
8670–8689	Fees and Contracts
8671	Adult Education Fees
8672	Nonresident Student Fees
8673	Child Development Parent Fees
8674	In-District Premiums/Contributions

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**Procedure 330     Object Classification**

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<b><u>Code</u></b>	<b><u>Title</u></b>
8675	Transportation Fees from Individuals
8677	Interagency Services Between LEAs
8681	Mitigation/Developer Fees
8689	All Other Fees and Contracts
8690–8719	Other Local Revenue
8691	Plus: Miscellaneous Funds Non-Revenue Limit (50 Percent) Adjustment
8697	Pass-Through Revenue from Local Sources
8699	All Other Local Revenue
8710	Tuition
8780–8799	Other Transfers In
8780	Transfers from Sponsoring LEAs to Charter Schools in Lieu of Property Taxes
8781	All Other Transfers from Districts or Charter Schools
8782	All Other Transfers from County Offices
8783	All Other Transfers from JPAs
8791	Transfers of Apportionments from Districts or Charter Schools
8792	Transfers of Apportionments from County Offices
8793	Transfers of Apportionments from Joint Powers Agreements (JPAs)
8799	Other Transfers In from All Others
8900–8979	Other Financing Sources
8910–8929	Interfund Transfers In
8911	To Child Development Fund from General Fund
8912	Between General Fund and Special Reserve Fund
8913	To State School Building Fund/County School Facilities Fund from All Other Funds
8914	To General Fund from Bond Interest and Redemption Fund
8915	To Deferred Maintenance Fund from General, Special Reserve, and Building Funds
8916	To Cafeteria Fund from General Fund
8919	Other Authorized Interfund Transfers In
8930–8979	All Other Financing Sources
8931	Emergency Apportionments
8951	Proceeds from Sale of Bonds
8953	Proceeds from Sale/Lease Purchase of Land and Buildings
8961	County School Building Aid
8965	Transfers from Funds of Lapsed/Reorganized LEAs
8971	Proceeds from Certificates of Participation
8972	Proceeds from Capital Leases
8973	Proceeds from Lease Revenue Bonds
8979	All Other Financing Sources
8980–8999	Contributions
8980	Contributions from Unrestricted Revenues

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Title</u>
8990	Contributions from Restricted Revenues
8995	Categorical Education Block Grant Transfers
8997	Transfers of Restricted Balances
8998	Categorical Flexibility Transfers per Budget Act Section 12.40

### **9000–9999    BALANCE SHEET**

9100–9499	Assets
9110	Cash in County Treasury
9111	Fair Value Adjustment to Cash in County Treasury
9120	Cash in Bank(s)
9130	Revolving Cash Account
9135	Cash with a Fiscal Agent/Trustee
9140	Cash Collections Awaiting Deposit
9150	Investments
9200	Accounts Receivable
9290	Due from Grantor Governments
9310	Due from Other Funds
9320	Stores
9330	Prepaid Expenditures (Expenses)
9340	Other Current Assets
9400–9499	Capital Assets
9410	Land
9420	Land Improvements
9425	Accumulated Depreciation—Land Improvements
9430	Buildings
9435	Accumulated Depreciation—Buildings
9440	Equipment
9445	Accumulated Depreciation—Equipment
9450	Work in Progress
9500–9699	Liabilities
9500	Accounts Payable (Current Liabilities)
9501–9589	<i>Accounts Payable (Locally Defined)</i>
9590	Due to Grantor Governments
9610	Due to Other Funds
9620	Due to Student Groups/Other Agencies
9640	Current Loans
9650	Deferred Revenue
9660–9669	Long-Term Liabilities (not used in governmental funds)
9661	General Obligation Bonds Payable
9662	State School Building Loans Payable
9664	Net OPEB Obligation

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Title</u>
9665	Compensated Absences Payable
9666	Certificates of Participation (COPs) Payable
9667	Capital Leases Payable
9668	Lease Revenue Bonds Payable
9669	Other General Long-Term Debt
9700–9799	Fund Balance/Net Assets
9700–9759	Fund Balance, Reserved
9710–9720	Reserve for Nonexpendable Assets
9711	Reserve for Revolving Cash
9712	Reserve for Stores
9713	Reserve for Prepaid Expenditures (Expenses)
9719	Reserve for All Others
9720	<i>Reserve for Encumbrances</i>
9730	General Reserve
9740	Legally Restricted Balance
9760–9799	Fund Balance, Unreserved
9770	Designated for Economic Uncertainties
9775	Designated for the Unrealized Gains of Investments and Cash in County Treasury
9780	Other Designations
9790	Undesignated/Unappropriated
9791	Beginning Fund Balance
9793	Audit Adjustments
9795	Other Restatements
9800–9839	<i>Budgetary Accounts</i>
9810	<i>Estimated Revenue</i>
9815	<i>Estimated Other Financing Sources</i>
9820	<i>Appropriations</i>
9825	<i>Estimated Other Financing Uses</i>
9830	<i>Encumbrances</i>
9840–9899	<i>Control Accounts</i>
9840	<i>Revenue</i>
9845	<i>Other Financing Sources</i>
9850	<i>Expenditures</i>
9855	<i>Other Financing Uses</i>
9910–9979	<i>Nonoperating Accounts</i>
9910	<i>Suspense Clearing</i>

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## Procedure 330    Object Classification

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### Object Code Definitions

*(Italicized codes are optional.)*

<u>Code</u>	<u>Definition</u>
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<b>1000–7999</b>	<b>EXPENDITURES</b>
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*Note:* See also Appendix A, "Analysis of Salaries," for common function/object relationships found in salary expenditures.

1000–1999	<b>Certificated Personnel Salaries.</b> Certificated salaries are salaries for positions that require a credential or permit issued by the Commission on Teacher Credentialing. Salaries paid to an employee on leave of absence continue to be charged in the same manner and to the same account classification that was applicable while the employee was in active service of the LEA.
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For compensated time off, a substitute for a position recorded in objects 1000–1999 should be charged to the same goal and function as the absent employee. For other than compensated time off, such as released time for negotiations, the substitute should be charged to the applicable goal and function.

1100	<b>Teachers' Salaries.</b> Record the full-time, part-time, and prorated portions of salaries for all certificated personnel employed to teach the pupils of the district or pupils in schools maintained by a county superintendent of schools. Include salaries for teachers of children in homes or hospitals, all special education resource specialists and teachers, substitute teachers, and instructional television teachers. Include salaries of teachers who provide instruction to students on a pullout basis.
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The separate recording of teachers' salaries is required by *Education Code* Section 41011 and is limited to salaries of certificated employees paid to teach the pupils of the district or pupils in schools maintained by a county superintendent.

The following comments, interpretations, and definitions are included to guide school officials in determining whether the total salary or a portion of the salary would be charged to Object 1100, Teachers' Salaries.

The total salary is recorded in Object 1100, Teachers' Salaries, under the following conditions: The teacher is an employee of the district or office of the county superintendent in a position requiring certification qualifications. The teacher's duties require him or her to teach pupils of the district for at least one full instructional period on each school day for which he or she is employed, and

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## Procedure 330    Object Classification

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### Code

### Definition

he or she is assigned no duties other than those that are connected with, or extensions of, classroom teaching. Such activities are limited to the following:

- Preparation for and evaluation of classroom work
- Extracurricular activities that arise from classroom work and are extensions of it (e.g., class or club sponsorship or supervision at school functions)
- Management of and instruction in a study hall
- Duties that are ordinarily assigned to certificated personnel in connection with the custody and control of pupils at recess or lunchtime, after school, or at other times

If a certificated employee teaches at least one instructional period each day that he or she is employed to teach and is also assigned other duties neither in connection with nor as an extension of classroom teaching, his or her salary must be prorated and recorded in Object 1100, Teachers' Salaries, and in the other objects that provide for recording of expenditures for the other assignment(s). The amount recorded in Object 1100, Teachers' Salaries, is the product of the employee's complete salary and the fraction of the full-time school day that the employee spent as a classroom teacher performing duties that are in connection with, or an extension of, classroom teaching as limited herein. The remaining portion is then charged to the object(s) in which expenditures for the other assignments are recorded. Some of the other assignments may pertain to work outside the field of teaching. If a teacher performs such assignments, it will be necessary to prorate a portion of the teacher's salary to classifications other than Object 1100, Teachers' Salaries.

The term *other assignments* that must be recorded or prorated to other object codes includes, but is not limited to, assignments usually and specifically assigned to persons employed in the following types of positions:

#### Certificated:

- General supervisors, coordinators, directors, specialists, consultants, supervisors of special subjects or grades, and certificated assistants (Function 2100, Instructional Supervision and Administration; Object 1300, Certificated Supervisors' and Administrators' Salaries)
- Chairperson of academic department (Function 2700, School Administration; Object 1300, Certificated Supervisors' and Administrators' Salaries)
- Principals, vice principals, assistant principals, deans, and assistant deans in individual schools (Function 2700, School Administration; Object 1300, Certificated Supervisors' and Administrators' Salaries)



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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	<ul style="list-style-type: none"><li>• Librarians, assistant librarians, and audiovisual personnel (Function 2420, Instructional Library, Media, and Technology; Object 1200, Certificated Pupil Support Salaries)</li><li>• Counselors, nurses, psychologists, psychometrists, audiometrists, and guidance and attendance personnel (Pupil Service functions 3110 through 3150; Object 1200, Certificated Pupil Support Salaries)</li></ul> <p>Classified:</p> <ul style="list-style-type: none"><li>• School bus driver, custodian, secretary to the governing board, and supervisor of transportation</li></ul>
1200	<b>Certificated Pupil Support Salaries.</b> Record the full-time, part-time, and prorated portions of salaries of all certificated personnel performing services of librarian, social worker, or certificated personnel doing pupil personnel work; psychologists and psychometrists; counselors, as well as health services rendered by physicians, oculists, dentists, dental hygienists, nurses, optometrists, school audiometrists, psychiatrists, otologists, and other personnel as authorized in the field of physical and mental health and who are on the payroll of the LEA. Health services personnel must possess a services credential ( <i>Education Code</i> sections 44872–44879 and 49422–49427).
1300	<b>Certificated Supervisors' and Administrators' Salaries.</b> Record the full-time, part-time, and prorated portions of salaries of principals, vice principals, administrative deans in individual schools, and other personnel performing similar duties; certificated personnel engaged in instructional supervision, including general supervisors, coordinators, directors, consultants, and supervisors of special subjects or grades and their certificated assistants (whether or not they supervise staff); superintendents and/or deputy, associate, area, and assistant superintendents in districts and offices of county superintendents of schools ( <i>Education Code</i> sections 35028, 35029, 35030, 44065, 44066, and 44069).
	<i>Note:</i> The term <i>supervision</i> is used to designate those activities having as their purpose the actual improvement of instruction under the direction of supervisors and assistants. Such activities include (1) personal conferences with teachers on instructional problems; (2) classroom visitation; (3) group conferences with teachers; and (4) demonstration teaching.
1900	<b>Other Certificated Salaries.</b> Record the full-time, part-time, and prorated portions of salaries for all certificated personnel who do not fall within one of the categories previously specified. Examples of such personnel are special education and/or other program specialists, certificated civic center employees, or resource teachers not performing duties as a classroom teacher. Object 1900 is not open to instructional functions.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
2000–2999	<p><b>Classified Personnel Salaries.</b> Classified salaries are salaries for services that do not require a credential or permit issued by the Commission on Teacher Credentialing. Salaries paid to an employee on leave of absence will continue to be charged in the same manner and to the same account classification as was applicable while the employee was in active service for the LEA.</p> <p>For compensated time off, a substitute for a position recorded in objects 2000–2999 should be charged to the same goal and function as the absent employee. For other than compensated time off, such as released time for negotiations, the substitute should be charged to the applicable goal and function.</p> <p>Student employees are to be coded to the goal, function, and object that represent the position they are filling. However, if the student is being paid as part of an educational program such as work experience, use Function 1000, Instruction, and Object 2900, Other Classified Salaries.</p>
2100	<p><b>Instructional Aides' Salaries.</b> Record total salaries paid to instructional aides who are required to perform any portion of their duty under the supervision of a classroom teacher or that of a special education resource specialist teacher (<i>Education Code</i> Section 41011). This code also includes other noncertificated instructional personnel, such as classified coaches, tutors, and drug/alcohol program mentors.</p>
2200	<p><b>Classified Support Salaries.</b> This code is used to record the full-time, part-time, and prorated portions of salaries of classified employees not defined elsewhere who are working in the instructional media and library, student support, pupil transportation, food services, and maintenance and operations functions.</p> <p>Salaries for the instructional media and library function include the salaries of library and media aides.</p> <p>Salaries for the student support function include the salaries of counselor aides and health aides.</p> <p>Salaries for the pupil transportation function include the salaries of bus drivers, mechanics, field coordinators, gasoline-pump attendants, and all other personnel whose assignments are related to the transportation of students.</p> <p>Salaries for the food service function include the salaries of nutritionists, cooks, helpers, and all other food service personnel except those engaged in the management of the food service program on a districtwide basis. The salary of a classified director of food services, if districtwide, is recorded in Object 2300,</p>

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	<p>Classified Supervisors' and Administrators' Salaries. The salary of a certificated director of food services, if districtwide, is recorded in Object 1300, Certificated Supervisors' and Administrators' Salaries.</p> <p>Salaries for the maintenance function include the salaries of carpenters, painters, plumbers, electricians, and other similar positions.</p> <p>The salaries for the operations function include the salaries of custodians, matrons, general utility workers, firefighters, dairy workers, guards, gardeners, elevator operators, warehouse workers, delivery personnel, truck drivers, and other similar positions.</p>
2300	<p><b>Classified Supervisors' and Administrators' Salaries.</b> Record the full-time, part-time, and prorated portions of salaries of supervisory personnel who are business managers, controllers, directors, chief accountants, accounting supervisors, purchasing agents, site administrators, assistant superintendents, and superintendents. Include stipends for governing board members and personnel commission members. (For assistant superintendents and superintendents, see <i>Education Code</i> sections 35028, 35029, 35030, 44065, 44066, and 44069.)</p>
2400	<p><b>Clerical, Technical, and Office Staff Salaries.</b> Record the full-time, part-time, and prorated portions of salaries paid to clerks, secretaries, accountants, bookkeepers, programmers and computer technical support, machine and computer operators, and others in similar positions.</p>
2900	<p><b>Other Classified Salaries.</b> Record the full-time, part-time, and prorated portions of salaries not identifiable with objects 2100 through 2400 (e.g., noon supervision personnel, students employed for work experience, civic center aides, and building inspectors). Students employed as part of a work-study curriculum or job-training grant are coded to Function 1000, Instruction.</p>
3000–3999	<p><b>Employee Benefits.</b> Record employers' contributions to retirement plans and health and welfare benefits, including cash in lieu of benefits for employees, their dependents, retired employees, and board members. Benefits are separated into two categories. A code that ends in 1 indicates benefits paid to personnel in certificated positions, and a code that ends in 2 indicates those paid to personnel in classified positions.</p>
3101–3102	<p><b>State Teachers' Retirement System.</b> Record expenditures to provide personnel with retirement benefits under the State Teachers' Retirement System (STRS). This excludes employee contributions. Object 3101 is certificated personnel in STRS; Object 3102 includes those individuals who hold classified positions but are enrolled in STRS.</p>

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
3201–3202	<b>Public Employees' Retirement System.</b> Record expenditures to provide personnel with retirement benefits under the Public Employees' Retirement System (PERS). This excludes employee contributions, although it does include the employer's payment of an employee's contribution. Object 3201 indicates those employees in certificated positions and enrolled in PERS; Object 3202 indicates employees in classified positions and enrolled in PERS.
3301–3302	<b>OASDI/Medicare/Alternative.</b> Record expenditures to provide employee benefits under the federal Social Security system. Include expenditures to qualifying alternative retirement plans for employees not covered under the Social Security system, STRS, or PERS. This excludes employee contributions. Object 3301 indicates that the Social Security benefits cover certificated positions; Object 3302 indicates that these benefits cover classified positions.
3401–3402	<b>Health and Welfare Benefits.</b> Record expenditures made to provide personnel with health and welfare insurance benefits. This excludes employee contributions but includes employer contributions charged by a Self-Insurance Fund. Object 3401 indicates that the benefits cover certificated positions; Object 3402 indicates that the benefits cover classified positions.
3501–3502	<b>State Unemployment Insurance.</b> Record the expenditures made to provide personnel with unemployment compensation. Object 3501 indicates that the state unemployment insurance covers certificated positions; Object 3502 indicates that the state unemployment insurance covers classified positions.
3601–3602	<b>Workers' Compensation Insurance.</b> Record the expenditures made to provide personnel with workers' compensation benefits. This includes benefit amounts paid to a self-insurance fund. Object 3601 covers certificated positions; Object 3602 covers classified positions.
3701–3702	<b>OPEB, Allocated.</b> Record expenditures for postemployment benefits other than pensions (OPEB) for retirees and other former employees, whether for current-year benefit costs financed on a pay-as-you-go basis or for amortization of that portion of the past unfunded liability relating to retirees and other former employees.  Record expenditures for amortization of the past unfunded liability relating to active employees, if such costs are not direct-charged (see objects 3751–3752). Do not include expenditures for normal costs for active employees; these must be direct-charged using objects 3751–3752.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	Expenditures in objects 3701–3702 must be allocated to all activities in proportion to total salaries or total full-time equivalents (FTEs) in those activities. Object 3701 relates to certificated positions; Object 3702 relates to classified positions.
3751–3752	<b>OPEB, Active Employees.</b> Record expenditures for actuarially determined normal costs for postemployment benefits other than pensions (OPEB) for OPEB-eligible active employees.  Record expenditures for amortization of that portion of the past unfunded liability relating to OPEB-eligible active employees to the extent that amortization costs are not unduly burdensome or distorting to programs. Where such costs would be unduly burdensome or distorting to programs, they should be allocated to all activities using objects 3701–3702.  Do not include expenditures for retirees and other former employees; these must be allocated using objects 3701–3702.  Expenditures in objects 3751–3752 must be direct-charged to the same resource, goal, and function as the OPEB-eligible active employee’s salary. Object 3751 relates to certificated positions; Object 3752 relates to classified positions.
3801–3802	<b>PERS Reduction.</b> Report the transfers of funds from the LEA to the state. Object 3801 covers certificated positions; Object 3802 covers classified positions. The charge for PERS Reduction should follow the function of the related salary. Function 9200, Transfers Between Agencies, may be used instead of identifying specific functions, but either method must be used exclusively, not together.
3901–3902	<b>Other Benefits.</b> Record the payment for tax-sheltered annuities, deferred compensation, cash-in-lieu, Golden Handshake, and other employee benefits not specified above. Object 3901 is used for certificated positions; Object 3902 is used for classified positions.
4000–4999	<b>Books and Supplies.</b> Record expenditures for books and supplies, including any associated sales tax or use tax and freight and handling charges.
4100	<b>Approved Textbooks and Core Curricula Materials.</b> Record expenditures for classroom instructional materials designed for use by pupils and their teachers as the basic curriculum adopted by the State Board of Education or the district board for required subject matter. Instructional materials may be printed or appear in some other form and may consist of textbooks, technology-based materials, and other educational materials, such as manipulatives ( <i>Education Code</i> Section

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## Procedure 330    Object Classification

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### Code

### Definition

60010[h]). The cost includes all consumable materials available in the approved series, such as kits, audiovisual materials, or workbooks.

Teachers' manuals and editions relate to specific, basic, or supplementary textbooks and are intended for teachers' use rather than for pupils' use. They are part of the approved curriculum used in the classroom and so are part of Object 4100.

Single issues of state-approved textbooks for review by research committees or curriculum directors would be coded to this object with an instruction-related service function, such as Function 2130, Curriculum Development.

4200

**Books and Other Reference Materials.** Record expenditures for books and other reference materials used by district personnel. Books used for reference are further identified by the appropriate function. For example, reference books for use in the nurse's office, in the district business office, or in the cafeteria would be coded to Function 3140, Health Services; Function 7200, Other General Administration; or Function 3700, Food Services, respectively. Function 1000, Instruction, would include (1) books that have not been adopted by the proper authority for use as basic curricula; (2) books, such as reference books, that are available for general use by students even though such books may be used solely in the classroom; and (3) all other materials used for reference purposes.

Generally, the purchase of library books or other reference materials is coded to Object 4200. However, expenditures for library books to stock a new school library or for material expansion are recorded in Object 6300, Books and Media for New School Libraries or Major Expansion of School Libraries.

Consumable materials other than those directly related to adopted curricula (Object 4100) have a limited shelf life of less than one year. Such materials as periodicals, magazines, workbooks, drill books, exercise pads, and the like are recorded in Object 4300, Materials and Supplies.

4300

**Materials and Supplies.** Record expenditures for consumable materials and supplies to be used by students, teachers, and other LEA personnel. Instructional materials and supplies are those used in the classroom by students and teachers. Other materials and supplies included in Object 4300 are those used in services and auxiliary programs, such as food service supplies; custodial supplies; gardening and maintenance supplies; supplies for operations; transportation supplies, including gasoline; supplies for repair and upkeep of equipment or buildings and grounds; and medical and office supplies.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	Expenditures for rentals of materials are coded to Object 5600, Rentals, Leases, Repairs, and Noncapitalized Improvements.
	Incidental materials and supplies included in payments to outside vendors for repair and maintenance services are coded to Object 5600, Rentals, Leases, Repairs, and Noncapitalized Improvements.
	Payments to outside vendors for duplication services should be coded to Object 5800, Professional/Consulting Services and Operating Expenditures.
4400	<b>Noncapitalized Equipment.</b> Record expenditures for movable personal property of a relatively permanent nature that has an estimated useful life greater than one year and an acquisition cost less than the LEA's capitalization threshold but greater than the LEA's inventory threshold pursuant to <i>Education Code</i> Section 35168 or local policy. For information on the capitalization threshold, refer to Procedure 770.
4700	<b>Food.</b> Record expenditures for food used in food-service activities for which the purpose is nourishment or nutrition (i.e., breakfast, snacks, lunch, and other similar items). Include food purchased by the food service program for student meals on field trips even if not reimbursed through the school lunch program.  Object 4700, Food, is used only with Function 3700, Food Services.  Expenditures for food used for instruction in a regular classroom (e.g., in a cooking class or as an instructional reward) are recorded in Object 4300, Materials and Supplies, with an instructional function. Expenditures for food for staff meetings and similar situations are recorded in Object 4300 and the appropriate function.
5000–5999	<b>Services and Other Operating Expenditures.</b> Record expenditures for services, rentals, leases, maintenance contracts, dues, travel, insurance, utilities, and legal and other operating expenditures. Expenditures may be authorized by contracts, agreements, purchase orders, and so forth.
5100	<b>Subagreements for Services.</b> Record expenditures for subagreements and subawards pursuant to certain contracts, subcontracts, and subgrants. Subagreements for Services are indicated when a part or all of an instructional or support activity for which the LEA is responsible is conducted by a third party rather than by the LEA (see page 910-2, Categories of Costs, for definitions of instructional and support activities). The LEA's responsibility for the activity may originate from any grant, award, or entitlement, including general purpose entitlements.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
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Some examples of Subagreements for Services include:

- Contracts with a third party to provide services required by a grant, such as the emergency services required by an Emergency Response Safety Grant
- Contracts with other entities to provide home-to-school transportation for the LEA's students
- Contracts with nonpublic schools for services to the LEA's special education students
- Contracts between charter schools and management companies to provide instruction to the charter school's students
- Cooperative projects and pass-through grants in which LEAs have both administrative and direct financial involvement (refer to Procedure 750, Pass-Through Grants and Cooperative Projects)

Subagreements for Services generally exclude:

- Pass-through grants in which LEAs have only administrative involvement (refer to Procedure 750, Pass-Through Grants and Cooperative Projects)
- Contracts for central administrative or "other" services (see page 910-2, Categories of Costs, for definitions of these services)
- Routine purchases of standard commercial goods or services from a vendor (refer to Object 5800, Professional/Consulting Services and Operating Expenditures)

When a distinction must be made between a subagreement and a routine purchase from a vendor, the substance of the transaction is more important than the form. For example, a contract with a vendor to provide home-to-school transportation to the LEA's students would be a subagreement, but a contract with the same vendor to rent buses for the LEA to transport its own students would be a routine purchase from a vendor. The form of the written agreements might be identical in that both might be contracts with a transportation vendor, yet the substance of the transactions is different.

For purposes of indirect costs, Subagreements for Services must be excluded from the calculation of the indirect cost rate, except that up to \$25,000 of an individual subagreement may be coded to Object 5800, Professional/Consulting Services and Operating Expenditures and included in the calculation of the rate. Indirect costs may not be assessed on subagreement expenditures (refer to Procedure 915, Indirect Cost Rate). The \$25,000 limit per subagreement applies for the duration of the subagreement.



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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
5200	<p><b>Travel and Conferences.</b> Record actual and necessary expenditures incurred by and/or for employees and other representatives of the LEA for travel and conferences (<i>Education Code</i> sections 35044 and 44032). Expenditures for employee conferences charged to this object should follow the goal and function of the employee.</p> <p>Object 5200 is designed to capture travel expenses of employees and other representatives of the LEA, which may include travel costs to conferences or fees paid for those individuals to attend conferences or training classes. Expenditures for conferences sponsored by the LEA are not coded to this object but are coded to the appropriate object for specific services purchased, such as Object 4300 for food, Object 5800 for caterers, Object 5600 for room rentals, and Object 2400 for staff time in preparing for the conference. (The use of Object 4700, Food, is restricted to Function 3700, Food Services.)</p>
5300	<p><b>Dues and Memberships.</b> Record the membership fee of an LEA in any society, association, or organization as authorized by <i>Education Code</i> Section 35172. Object 5300 may be used for the dues of an employee, such as a chief business official or a superintendent, if it is deemed that the LEA is represented and benefits from the membership. Use objects 3901–3902 for employee dues if it is deemed that the dues are a benefit only for the employee.</p>
5400	<p><b>Insurance.</b> Record expenditures for all forms of insurance other than employee benefits. Use Function 9100, Debt Service, for bond insurance costs when issuing new bonds.</p>
5440	<p><b><i>Pupil Insurance (Optional).</i></b> Record expenditures for accidental death insurance and medical and hospital insurance for pupils. Use Function 1000, Instruction.</p>
5450	<p><b><i>Other Insurance (Optional).</i></b> Record expenditures for all forms of insurance other than pupils' insurance. For fire and theft liability and fidelity bond premiums, use Function 7200, Other General Administration; for school buses, use Function 3600, Pupil Transportation; for food service vehicles, use Function 3700, Food Services.</p>
5500	<p><b>Operations and Housekeeping Services.</b> Record expenditures for water, heating fuel, light, power, waste disposal, pest control, laundry and dry cleaning (such as laundering of curtains and cleaning of drapes), and so forth. Include contracts for these services. Object 5500 is used only with the maintenance and operation functions 8100–8500 and Function 6000, Enterprise.</p>

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	Cleaning of uniforms, such as band or custodial uniforms, is charged to the appropriate function and Object 5800, Professional/Consulting Services and Operating Expenditures. Fuel for pupil transportation is coded to Object 4300, Materials and Supplies.
5600	<p><b>Rentals, Leases, Repairs, and Noncapitalized Improvements.</b> Record expenditures for rentals, leases without option to purchase, and repairs or maintenance (including maintenance agreements) of sites, buildings, and equipment by outside vendors. Include incidental materials and supplies included in the cost of repairs. Include expenditures for site or building improvements that do not meet the LEA's threshold for capitalization.</p> <p>Capital leases should be recorded according to the accounting procedures for lease/purchase agreements in Procedure 710.</p> <p>Rental of facilities is recorded in Function 8700, Facilities Rents and Leases, and includes all facilities, whether rented for a day, a month, or a year.</p>
5700–5799	<p><b>Transfers of Direct Costs.</b> Record the transfer of expenditures from one function to another. Typical transfers using this object account include services provided or products developed by the LEA, such as maintenance and repair of duplicating, audiovisual, or other equipment; photocopying expenses; field trips; district vehicle use; and information technology expenses. These transfers normally change the function of the expenditures. For example, transfers related to costs of field trips are considered costs of the Instruction function, not of the Pupil Transportation function (see Example 1 in Procedure 640). Transfers of expenditures that do not change functions, such as custodial costs, are normally transferred using Object 7370 or 7380, Transfers of Direct Support Costs.</p> <p>One exception to this guidance is special education transportation costs for severely disabled/orthopedically impaired (SD/OI) students that may be initially accumulated in Resource 7230, Transportation: Home to School, and subsequently transferred to Resource 7240, Transportation: Special Education (SD/OI). The transfer of these costs would be recorded using Object 5710, even though the Function 3600, Pupil Transportation, would not change. These costs are considered direct costs of the SD/OI transportation program.</p>
5710	<p><b>Transfers of Direct Costs.</b> Record the transfers for direct costs of services provided within a fund from one function to another. This account must net to zero at the fund level.</p>
5750	<p><b>Transfers of Direct Costs—Interfund.</b> Record the transfers for the direct costs of services that are provided on an interfund basis. This account will reflect a</p>

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	balance at the fund level but only for the amount of between-funds costs. The total between-funds debit and credit transactions must net to zero.
5800	<p><b>Professional/Consulting Services and Operating Expenditures.</b> Record the expenditures for personal services rendered by personnel who are not on the payroll of the LEA. Professional/consulting services are delivered by an independent contractor (individual, entity, or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short term in nature, normally in areas that supplement the expertise of the LEA. This includes all related expenditures covered by the personal services contract.</p> <p>Record expenditures for services such as printing, engraving, and so forth performed by an outside agency. This includes but is not limited to copies made from masters provided by the LEA.</p> <p>Record expenditures for catering services provided by an outside vendor.</p> <p>Record the expenditures for lodging and admission tickets for students and staff on field trips.</p> <p>Record expenditures for all advertising, including advertising for items such as bond sales, contract bidding, and personnel vacancies. Record expenditures for judgments, penalties, legal advice, attorneys, hearing officers, elections, audits, and other similar costs. Record expenditures for services provided, such as administration, bus transportation, audiovisual, and library.</p> <p>Record assessments for other than capital improvements, including state assessment for nonuse of school sites. Record expenditures for surveys and appraisals of sites that are not purchased. Expenditures for surveys, appraisals, and assessments in connection with site purchases and/or improvements are recorded in Object 6100, Land, and/or Object 6170, Land Improvements.</p> <p>Record expenditures for fees charged to LEAs by other local governmental agencies, such as counties, cities, and special districts, for required services. Such fees include those charged for health, building, and operating inspections and permits, plan reviews, and utility connection fees. These charges typically relate to emissions, fuel-tank operations, hazardous waste generation, chemical storage, food safety, water safety, and fire safety. Examples of departments and special districts that assess these fees include Air Pollution Control, Environmental or Public Health Services, Fire Department, and Public Water Control.</p>

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## Procedure 330    Object Classification

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### Code

### Definition

Record expenditures for Internet-based publications and materials. Record periodic costs of licensing, support, or maintenance agreements for nonequipment items, such as software. Initial licensing and other costs incurred as part of a major system acquisition should be recorded in Object 6400, Equipment.

Record expenditures not otherwise designated, such as payments of interest on loans repaid within the fiscal year, payments for damages to personal property, expenditures for fingerprints, physical and X-ray examinations required for employment, scholarship payments, and similar items.

Debt issuance costs, including underwriter discounts and fees, should be recorded here. If long-term debt is issued at a discount, the discount should be recorded in Object 7699, All Other Financing Uses.

May record expenditures of up to \$25,000 for an individual subagreement as defined in Object 5100, Subagreements for Services. This \$25,000 limit applies for the duration of the subagreement. Exclude the remainder of the subagreement, which must be recorded in Object 5100. Examples of subagreements include payments for pupil transportation made to common carriers or to parents in lieu of transportation; tuition for students attending instructional programs at a community college; and expenditures to nonpublic, nonsectarian schools for the education of exceptional children for whom appropriate services are neither available nor can be provided by the LEA.

*Note:* Expenditures to nonpublic, nonsectarian schools for the education of children with exceptional needs should be charged to Object 5100, Subagreements for Services. Expenditures for excess costs and/or deficits in special education programs paid to provider school districts or county offices should be charged to objects 7141–7143, Other Tuition.

5900

**Communications.** Record expenditures for periodic servicing of all methods of communication, including pagers, cell phones, beepers, and telephone service systems. This object also includes the monthly charges for fax lines, TV cable lines, and Internet service and lines. The cost of postage stamps and "refill" of postage meters should be coded to Communications, as should the cost of parcel service or other means used to deliver a letter or other communications. Shipping of purchased goods by parcel service or other means is considered to be part of the cost of goods purchased and should not be charged to Object 5900, Communications.

Generally, communication costs should be charged to either Function 2700, School Administration, or Function 7200, Other General Administration. Communication service fees may be charged to other functions by direct

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	<p>documentation, such as monthly statements. The monthly bills for pagers, cell phones, cable, and Internet services may follow the user if the charges can be documented. For example, Internet fees that are part of classroom instruction may be charged to Function 1000, Instruction.</p> <p>The cost of communication equipment is normally coded to Object 4400, Noncapitalized Equipment. If the cost of a unit of equipment exceeds the capitalization threshold of the LEA, use Object 6400, Equipment, or Object 6500, Equipment Replacement, as appropriate. However, if the cost is minor and the expected life short, the cost of the equipment should be coded to Object 4300, Materials and Supplies.</p> <p>The cost of wiring and installing cables for communication equipment that become an integral part of the building or building service system is coded to Object 6200, Buildings and Improvement of Buildings, with Function 8500, Facilities Acquisition and Construction. Repairs to these lines would be coded to Function 8100, Plant Maintenance and Operations, with either Object 5600, Rentals, Leases, Repairs, and Noncapitalized Improvements, or with the salary or supply object codes of the maintenance budget.</p>
6000–6999	<p><b>Capital Outlay.</b> Record expenditures for land, buildings, equipment, capitalized collections of books, and other intangible capital assets, such as computer software, including items acquired through leases with option to purchase.</p> <p>These object codes are not used in proprietary funds, in which capital assets are recorded in Objects 9400–9499 and subsequently depreciated.</p>
6100	<p><b>Land.</b> Record the costs of acquisition of land and additions to old sites and adjacent ways. Include incidental expenditures in connection with the acquisition of sites, such as appraisal fees, search and title insurance, surveys, and condemnation proceedings, and fees. If a site is not purchased after the appraisal or survey, record the expenditure in Object 5800, Professional/Consulting Services and Operating Expenditures. Include costs to remove buildings on newly acquired sites. Use with Function 8500, Facilities Acquisition and Construction.</p>
6170	<p><b>Land Improvements.</b> Record expenditures for each of the following with Function 8500, Facilities Acquisition and Construction:</p> <p><u>Improvements of sites (new and old) and adjacent ways that meet the LEA's threshold for capitalization.</u> Include such work as grading, landscaping, seeding, and planting shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers, and storm drains; installing hydrants; treating soil and surfacing athletic fields and tennis courts; furnishing and installing fixed playground</p>

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	apparatus, flagpoles, gateways, fences, and underground storage tanks that are not parts of building service systems; and doing demolition work in connection with improvement of sites.
	<u>Leasehold improvements to sites.</u> Include costs of site improvements to leased property.
	<u>Payment of special assessments.</u> Include assessments against the school district for capital improvements, such as streets, curbs, sewers, drains, and pedestrian tunnels whether on or off school property.
6200	<b>Buildings and Improvements of Buildings.</b> Record costs of construction or purchase of new buildings (including relocatable buildings, such as portable classrooms) and additions and replacements of obsolete buildings, including advertising; architectural and engineering fees; blueprinting; inspection service (departmental or contract); tests and examinations; demolition work in connection with construction of electrical, sprinkling, or warning devices; installation of heating and ventilating fixtures, attachments, and built-in fixtures; and other expenditures directly related to the construction or acquisition of buildings.  Record costs of improvements of buildings, including alterations, remodeling, renovations, and replacement of buildings in whole or in part, that meet the LEA's threshold for capitalization. Include leasehold improvements.  Use with Function 8500, Facilities Acquisition and Construction.
6300	<b>Books and Media for New School Libraries or Major Expansion of School Libraries.</b> Record expenditures for books and materials for new and materially expanded libraries.
6400	<b>Equipment.</b> Record expenditures for movable personal property, including such equipment as vehicles, machinery, computer systems, and playground equipment, that have both an estimated useful life over one year and an acquisition cost equal to or greater than the capitalization threshold established by the LEA. (For more detail, refer to Procedure 770.)  Record the initial acquisition of computer software that exceeds the LEA's capitalization threshold, including research and development costs, licensing, and installation or training.  Piece-for-piece replacements of equipment are recorded in Object 6500, Equipment Replacement, if the unit cost exceeds the LEA's capitalization threshold.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	Initial built-in fixtures that are integral parts of the building or building service system are recorded in Object 6200, Buildings and Improvement of Buildings.
6500	<b>Equipment Replacement.</b> Record expenditures for equipment replaced on a piece-for-piece basis as defined in Procedure 770.
6900	<b>Depreciation Expense (for proprietary and fiduciary funds only).</b> Record the portion of the cost of a capital asset charged as an expense during the fiscal year. In accounting for depreciation, the cost of a capital asset less any anticipated salvage value is prorated over the estimated service life of the asset, and each period is charged with a portion of that cost. Through this process, the cost of the asset less salvage value is ultimately charged as an expense.  <i>Note:</i> This object is applicable only for funds 61, 62, 63, 66, 67, and 73.
7000–7499	<b>Other Outgo</b>
7100–7199	<b>Tuition</b>
7110	<b>Tuition for Instruction Under Interdistrict Attendance Agreements.</b> Record expenditures for tuition under interdistrict attendance agreements incurred as a result of a district's realizing a reduction of 25 percent or more in PL 81–874 funds if the average daily attendance of pupils residing within the district is credited to the district of attendance ( <i>Education Code</i> Section 46607[b]).
7130	<b>State Special Schools.</b> Record payments for students placed in state special schools.
7141	<b>Other Tuition, Excess Costs, and/or Deficit Payments to School Districts or Charter Schools.</b> Record payments for tuition, excess costs, and/or deficits paid to programs operated by other school districts or charter schools. Use Function 9200, Transfers Between Agencies.
7142	<b>Other Tuition, Excess Costs, and/or Deficit Payments to County Offices.</b> Record payments for tuition, excess costs, and/or deficits paid to programs operated by county superintendents of schools. Use Function 9200, Transfers Between Agencies.
7143	<b>Other Tuition, Excess Costs, and/or Deficit Payments to JPAs.</b> Record payments for tuition, excess costs, and/or deficits paid to programs operated under a JPA. Use Function 9200, Transfers Between Agencies.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
7200–7299	<b>Other Transfers Out</b>
7211	<b>Transfers of Pass-Through Revenues to Districts or Charter Schools.</b> Report disbursements of pass-through grants to school districts or charter schools in which the recipient LEA has administrative involvement only for the grants. (The recipient LEA does not also have a responsibility to operate the project.)
7212	<b>Transfers of Pass-Through Revenues to County Offices.</b> Report disbursements of pass-through grants to county offices in which the recipient LEA has administrative involvement only for the grants. (The recipient LEA does not also have a responsibility to operate the project.)
7213	<b>Transfers of Pass-Through Revenues to JPAs.</b> Report disbursements of pass-through grants to JPAs in which the recipient LEA has administrative involvement only for the grant. (The recipient LEA does not also have a responsibility to operate the project.)
7221	<b>Transfers of Apportionments to Districts or Charter Schools.</b> Record transfers to school districts or charter schools of apportionments, such as special education and regional occupational centers/programs.
7222	<b>Transfers of Apportionments to County Offices.</b> Record transfers to county offices of apportionments, such as special education and regional occupational centers/programs.
7223	<b>Transfers of Apportionments to JPAs.</b> Record transfers to JPAs of apportionments, such as special education and regional occupational centers/programs.
7280	<b>Transfers to Charter Schools in Lieu of Property Taxes.</b> Funds in lieu of property tax transferred by the sponsoring LEA to the charter schools according to <i>Education Code</i> Section 47635.
7281	<b>All Other Transfers to Districts or Charter Schools.</b> Record transfers to school districts or charter schools of resources other than apportionments or pass-through revenues. An example is the transfer of funding from a county office of education to a direct service district for health services.
7282	<b>All Other Transfers to County Offices.</b> Record transfers to county offices of resources other than apportionments or pass-through revenues.
7283	<b>All Other Transfers to JPAs.</b> Record transfers to JPAs of resources other than apportionments or pass-through revenues.



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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
7299	<b>All Other Transfers Out to All Others.</b> Record transfers of resources to non-LEAs.
7300–7399	<p><b>Transfers of Indirect / Direct Support Costs.</b> Objects in this group are used to record transfers of direct support costs and indirect costs between resources, goals, and funds. When support and indirect costs are transferred, normally the function does not change.</p> <p>For transfers of indirect costs (objects 7310 and 7350) and transfers of administrative costs other than indirect costs (objects 7370 and 7380), use Function 7210, General Administration Cost Transfers.</p> <p>For transfers of other direct support costs (objects 7370 and 7380), use the function in which the costs were accumulated. For example, when maintenance and operations costs are transferred to the adult education fund from the general fund the function remains 8100, Plant Maintenance and Operations.</p>
7310	<b>Transfers of Indirect Costs.</b> Record the transfers of indirect costs within a fund. This account must net to zero by function at the fund level. Use with Function 7210, General Administration Cost Transfers, for both the debit and the credit.
7350	<b>Transfers of Indirect Costs—Interfund.</b> Record the transfers of indirect costs between funds. This account will reflect a balance at the fund level but only for the amount of between-funds costs; the total between-funds debit and credit transactions must net to zero by object. Use with Function 7210, General Administration Cost Transfers, for both the debit and the credit.
7370	<b>Transfers of Direct Support Costs.</b> Record the transfer of direct support costs between programs within a fund. This account must net to zero by function at the fund level. The function used may be one of many support functions, such as Function 3110, Guidance and Counseling Services, or Function 8100, Plant Maintenance and Operations. This account may also be used to record transfers of administrative costs other than indirect costs using Function 7210, General Administration Cost Transfers.
7380	<b>Transfers of Direct Support Costs—Interfund.</b> Record the transfer of direct support costs between funds. This account will reflect a balance at the fund level but only for the amount of between-funds costs. The total between-funds debit and credit transactions must net to zero by object as well as by function. This account may also be used to record transfers of administrative costs other than indirect costs using Function 7210, General Administration Cost Transfers.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
7430–7439	<b>Debt Service.</b> Debt service consists of expenditures for the retirement of debt and for interest on debt, except principal and interest on current or short-term loans (money borrowed and repaid during the same fiscal year). Use with Function 9100, Debt Service.
7432	<b>State School Building Repayments.</b> Record expenditures for state school building loan repayments ( <i>Education Code</i> Section 16090).
7433	<b>Bond Redemptions.</b> Record expenditures to retire the principal of bonds.
7434	<b>Bond Interest and Other Service Charges.</b> Record expenditures to pay interest and other service charges on bonds.
7435	<b>Repayment of State School Building Fund Aid—Proceeds from Bonds.</b> Record expenditures for the repayment of the State School Building Aid Fund using the proceeds from the sale of bonds ( <i>Education Code</i> Section 16058).
7436	<b>Payments to Original District for Acquisition of Property.</b> Record expenditures to cover the liability of a newly organized district to the original district for the new district's proportionate share of the bonded indebtedness of the original district.
7438	<b>Debt Service—Interest.</b> Record that portion of a debt service payment that represents the current interest expense due on the long-term debt.
7439	<b>Other Debt Service—Principal.</b> Record that portion of the other debt service payment that represents the repayment of principal of long-term debt. Examples of other long-term debt include capital leases and certificates of participation.
7600–7699	<b>Other Financing Uses.</b> The following objects are used for the transfer of funds or expenditures for other than general operations. They are used with the "Other Outgo" functions: Function 9100, Debt Service; Function 9200, Transfers Between Agencies; or Function 9300, Interfund Transfers.
7600–7629	<b>Interfund Transfers Out</b>
7611	<b>From General Fund to Child Development Fund.</b> Record transfers of moneys from the general fund to support the activities in the child development fund ( <i>Education Code</i> Section 41013).
7612	<b>Between General Fund and Special Reserve Fund.</b> Record transfers of moneys between the general fund and the special reserve fund ( <i>Education Code</i> sections 42840–42843).

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
7613	<b>To State School Building Fund/County School Facilities Fund from All Other Funds of the District.</b> Record transfers of any moneys of the district that are required to be expended for the project for which such apportionment was made.
7614	<b>From Bond Interest and Redemption Fund to General Fund.</b> Record transfers of moneys from the bond interest and redemption fund to the general fund or to the special reserve fund after all principal and interest payments have been made ( <i>Education Code</i> sections 15234 and 15235).
7615	<b>From General, Special Reserve, and Building Funds to Deferred Maintenance Fund.</b> Record transfers of moneys from the general, special reserve, and/or building funds to the deferred maintenance fund to support state match requirements ( <i>Education Code</i> sections 17582–17587).
7616	<b>From General Fund to Cafeteria Fund.</b> Record transfers of moneys from the general fund to the cafeteria fund. LEAs may record the transfer of Meals for Needy Pupils as an interfund transfer rather than as a revenue limit transfer.
7619	<b>Other Authorized Interfund Transfers Out.</b> Record all other authorized transfers of moneys to another fund.
7630–7699	<b>All Other Financing Uses</b>
7651	<b>Transfers from Funds of Lapsed/Reorganized LEAs.</b> Record the disbursement of funds identified under <i>Education Code</i> sections 35560 and 35561. Also record the disbursement of funds from a defunct charter school or from a charter school whose authorizing agency changes.
7699	<b>All Other Financing Uses.</b> Record expenditures for other financing uses not specified above. If long-term debt is issued at a discount, record the discount here. Debt issuance costs such as underwriter discounts and fees should be recorded in Object 5800. Do not use Object 7699 for debt service payments or for the return of unexpended resources to the grantor agency.
<b>8000–8999</b>	<b>REVENUES</b>
8010–8099	<b>Revenue Limit Sources.</b> By law, most State School Fund apportionments or allowances to an LEA must be deposited in the general fund of the LEA. All such amounts must be accounted for in terms of the gross amount apportioned. Deductions and withholdings made by the State Controller, as required by law, must be accounted for as expenditures just as they would if the full apportionment had been received and an LEA warrant had been drawn for such purposes.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	<p>Before the gross revenue limit apportionment is determined, the state makes the adjustments of special education and county community school revenue limit funds for county-operated programs transferred from school districts to offices of county superintendents of schools. These adjustments will not be accounted for as expenditures.</p> <p>Revenue that was not previously accrued but is the result of the correction of a prior apportionment, or is included in the final state apportionment, should be recorded in the revenue class or classes that define the original apportionment.</p>
8010–8019	<b>Principal Apportionment</b>
8011	<b>Revenue Limit State Aid—Current Year.</b> Record amounts allowed for the current year, including amounts accrued at the end of the fiscal year.
8015	<b>Charter Schools General Purpose Entitlement—State Aid.</b> Record the state-aid portion of the general purpose entitlement funding for charter schools. (Direct-funded charter schools use Object 8011 for summer school revenue.)
8019	<b>Revenue Limit State Aid—Prior Years.</b> Record the amounts received but not previously accrued for prior years' principal apportionments.
8020–8039	<b>Tax Relief Subventions</b>
8021	<b>Homeowners' Exemptions.</b> Record amounts received for loss of revenue because of homeowners' exemptions ( <i>Revenue and Taxation Code</i> Section 218).
8022	<b>Timber Yield Tax.</b> Record the yield tax collected by the State Board of Equalization on timber harvested from private or public land ( <i>Government Code</i> Section 27423; <i>Revenue and Taxation Code</i> Section 38905.1).
8029	<b>Other Subventions/In-Lieu Taxes.</b> Record amounts received for loss of revenue because of exemptions for motion picture films and wine and brandy products ( <i>Revenue and Taxation Code</i> Section 988; <i>Education Code</i> Section 41052) and severance-aid allowances for real property acquired for state highway purposes ( <i>Education Code</i> Section 41960).
8040–8079	<b>County and District Taxes.</b> Record revenue from local sources in the appropriate subordinate classifications in this major classification. All revenue received from tax sources is to be accounted for when received (cash basis). Credits to the various LEA tax accounts are made on receipt of an apportionment notice from

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	the county superintendent of schools indicating that taxes have been deposited in the county treasury.
8041	<b>Secured Roll Taxes.</b> Record revenue from taxes levied on the secured roll ( <i>Education Code</i> Section 2500 et seq.).
8042	<b>Unsecured Roll Taxes.</b> Record revenue from taxes levied on the unsecured roll.
8043	<b>Prior Years' Taxes.</b> Record revenue from tax levies of prior years. Include secured and unsecured receipts from redemptions and tax sales.
8044	<b>Supplemental Taxes.</b> Record taxes resulting from changes in assessed value due to changes in ownership and completion of new construction at the time they occur ( <i>Revenue and Taxation Code</i> sections 75–75.9).
8045	<b>Education Revenue Augmentation Fund (ERAF).</b> Report the shift of property taxes from local agencies to schools according to SB 617 (Chapter 699, 1992), SB 844 (Chapter 700, 1992) and SB 1559 (Chapter 691, 1992).
8047	<b>Community Redevelopment Funds.</b> Report community redevelopment funds, except for any amount received pursuant to Section 33401 or Section 33676 of the <i>Health and Safety Code</i> that are used for land acquisition, facility construction, reconstruction or remodeling, or deferred maintenance, and except for any amount received pursuant to sections 33492.15, 33607.5, and 33607.7 of the <i>Health and Safety Code</i> that is allocated exclusively for educational facilities ( <i>Education Code</i> Section 42238[h][6]). These exceptions should be recorded in Object 8625, Community Redevelopment Funds Not Subject to Revenue Limit Deduction.
8048	<b>Penalties and Interest from Delinquent Taxes.</b> Record penalties and interest assessed on objects 8041–8044.
8070	<b>Receipts from County Board of Supervisors (County School Service Fund [CSSF] only).</b> Record receipts of taxes levied by county governments for the operations of fiscally dependent county offices of education.
8080–8089	<b>Miscellaneous Funds.</b> Include miscellaneous funds received from federal, state, and local sources ( <i>Education Code</i> Section 41604).
8081	<b>Royalties and Bonuses.</b> Record the total amount of payments of all or a portion of the royalties and bonuses received from the operation of any law under the terms of any agreement. Subsequently, 50 percent of the amounts recorded here should be transferred to Other Local Revenue by debiting Object 8089 and crediting Object 8691.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
8082	<b>Other In-Lieu Taxes.</b> Record payments received by the school district or county office in lieu of taxes on property or other tax base not subject to taxation on the same basis as privately owned property. Amounts received by a charter school in lieu of property taxes from its sponsoring LEA should be recorded in Object 8780, Transfers from Sponsoring LEAs to Charter Schools in Lieu of Property Taxes. Subsequently, 50 percent of the amounts recorded here should be transferred to Other Local Revenue by debiting Object 8089 and crediting Object 8691.
8089	<b>Less: Non-Revenue Limit (50 Percent) Adjustment.</b> Record the transfer of 50 percent of the amounts in objects 8081 and 8082 from unrestricted Revenue Limit Sources to Other Local Revenue by debiting Object 8089 and crediting Object 8691. Objects 8089 and 8691 must net to zero.
8090–8099	<b>Revenue Limit Transfers</b>
8091	<b>Revenue Limit Transfers—Current Year.</b> Record transfers of Revenue Limit Sources to applicable restricted resources, such as special education or continuation education, in the general fund or other funds.
8092	<b>PERS Reduction Transfer.</b> Record the reduction to the revenue limit as a result of the PERS transfer.
8097	<b>Property Tax Transfers.</b> For county offices, report any transfer of taxes within the County School Service Fund, such as excess taxes transferred to the ROC/P; or the Special Education portion of revenue limit taxes; or transfers between LEAs, such as excess special education taxes transferred to districts or transfers of special education taxes between counties.  For school districts, report any excess special education taxes collected by the county offices of education and subsequently transferred to the school districts.
8099	<b>Revenue Limit Transfers—Prior Years.</b> Record prior year adjustments of revenue limit sources transferred to applicable restricted resources, such as special education or continuation education.
8100–8299	<b>Federal Revenue.</b> Record in the appropriate subordinate classifications revenue received from the federal government. Record federal revenue for which the state or any other agency serves as the distributing agency.
8110	<b>Maintenance and Operations (Public Law 81-874).</b> Record the amounts allowed for maintenance and operations of the district resulting from the

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	identification of students or parents in federally impacted areas in accordance with Impact Aid programs. These funds are in lieu of property taxes and, except for the additional funds provided for federally connected children with disabilities, are unrestricted.
8181	<b>Special Education—Entitlement.</b> Record the federal Individuals with Disabilities Education Act (IDEA) entitlement, which is deducted from the state apportionment for special education (see Resource 3310).
8182	<b>Special Education—Discretionary Grants.</b> Record all other federal revenues for special education (PL 101-476, Individuals with Disabilities Education Act [IDEA]).
8220	<b>Child Nutrition Programs.</b> Record federal revenues for child nutrition programs.
8260	<b>Forest Reserve Funds.</b> Record all revenue from forest reserve funds apportioned by the federal government and distributed to the district by the county superintendent of schools with the approval of the county board of education ( <i>Education Code</i> Section 2300).
8270	<b>Flood Control Funds.</b> Record all revenue from flood-control funds apportioned by the federal government and distributed to the district by the county superintendent of schools with the approval of the county board of education ( <i>Education Code</i> Section 1606).
8280	<b>U.S. Wildlife Reserve Funds.</b> Record amounts received from U.S. Wildlife Reserve funds.
8281	<b>FEMA.</b> Record revenues received from the Federal Emergency Management Agency.
8285	<b>Interagency Contracts Between LEAs.</b> Record federal revenues received from another LEA for providing services on a contractual basis for the other LEA.
8287	<b>Pass-Through Revenues from Federal Sources.</b> Record the receipts of those federal pass-through grants in which the recipient LEA has only administrative involvement. (Refer to Procedure 750 for information regarding pass-through activities.)  The disbursements of these pass-through grants should be recorded using objects 7211, 7212, and 7213, as appropriate.
8290	<b>All Other Federal Revenue.</b> Record all other federal funds received.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
8300–8599	<b>Other State Revenue</b>
8311	<p><b>Other State Apportionments—Current Year.</b> Report revenues received under the Principal Apportionment other than the state-aid portion of the revenue limit and the adult block entitlement. Include apportionments for Regional Occupational Centers/Programs, special education programs, and Gifted and Talented Education.</p> <p>Report revenues received under the Special Purpose Apportionment. They include apportionments for Home-to-School Transportation, Special Education Transportation, School Improvement Program, and Economic Impact Aid.</p> <p>This account is intended to record amounts allowed for the current year, including amounts accrued at the end of the fiscal year.</p>
8319	<p><b>Other State Apportionments—Prior Years.</b> Record the amounts received but not previously accrued for prior years' revenues received under the Principal Apportionment other than the state portion of the revenue limit.</p>
8425	<p><b>Year-Round School Incentive.</b> Record revenues for year-round school pursuant to <i>Education Code</i> Section 42260 et seq.</p>
8434	<p><b>Class Size Reduction, Grades K–3.</b> Record revenues realized for reducing class size in kindergarten and grades 1 to 3, inclusive, pursuant to <i>Education Code</i> sections 52120–52128. Note that Resource 6200, Class Size Reduction Facilities, uses Object 8590, All Other State Revenue.</p>
8435	<p><b>Class Size Reduction, Grade Nine.</b> Record unrestricted revenues for reducing class size in grade 9 pursuant to <i>Education Code</i> sections 52080–52090.</p>
8480	<p><b>Charter Schools Categorical Block Grant.</b> Record the charter schools block grant amount in lieu of categorical funding.</p>
8520	<p><b>Child Nutrition.</b> Record state revenues for child nutrition programs.</p>
8530	<p><b>Child Development Apportionments.</b> Record revenues for child development programs.</p>
8540	<p><b>Deferred Maintenance Allowance.</b> Record the allocation of the State School Deferred Maintenance Fund received by the LEA from the State Allocation Board (<i>Education Code</i> sections 17582–17587).</p>



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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
8545	<b>School Facilities Apportionments.</b> Record state apportionments received for the State School Building Lease-Purchase projects ( <i>Education Code</i> sections 17000–17039) or the School Facilities Act of 1998 ( <i>Education Code</i> sections 17070–17076).
8550	<b>Mandated Cost Reimbursements.</b> Record in the year received amounts for reimbursements of costs of legislatively mandated programs ( <i>Government Code</i> sections 17500–17616).
8560	<b>State Lottery Revenue.</b> Record the revenue received under the California State Lottery Act of 1984 ( <i>Government Code</i> Section 8880.4). This revenue is recorded in the general fund.
8571–8579	<b>Tax Relief Subventions</b>
8571	<b>Voted Indebtedness Levies, Homeowners' Exemptions.</b> Record amounts received for loss of revenue because of homeowners' exemptions. These amounts are restricted levies for debt service repayment proceeds.
8572	<b>Voted Indebtedness Levies, Other Subventions/In-Lieu Taxes.</b> Record amounts received for loss of revenue because of certain exemptions. These amounts are restricted levies for debt service repayment proceeds.
8575	<b>Other Restricted Levies, Homeowners' Exemptions.</b> Record amounts received for loss of revenue because of homeowners' exemptions. These amounts are restricted levies for other than debt service repayment proceeds, such as the County Free Library Tax.
8576	<b>Other Restricted Levies, Other Subventions/In-Lieu Taxes.</b> Record amounts received for loss of revenue because of certain exemptions. These amounts are restricted levies for other than debt service repayment proceeds, such as the County Free Library Tax.
8587	<b>Pass-Through Revenues from State Sources.</b> Record the receipts of those state pass-through grants in which the recipient LEA has only administrative involvement. Refer to Procedure 750 for information regarding pass-through activities.  The disbursements of these pass-through grants should be recorded using objects 7211, 7212, and 7213, as appropriate.
8590	<b>All Other State Revenue.</b> Record all other state funds received.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
8600–8799	<b>Other Local Revenue.</b> Record in the appropriate subordinate classifications in this major classification revenue from local sources. All revenue received from tax sources is to be accounted for when it is received (cash basis). Credits to an LEA's various tax accounts are made on receipt of an apportionment notice from the county superintendent of schools indicating that taxes have been deposited in the county treasury.
8610–8629	<b>County and District Taxes</b>
8611	<b>Voted Indebtedness Levies, Secured Roll.</b> Record revenue from taxes levied on the secured tax roll for debt service repayment.
8612	<b>Voted Indebtedness Levies, Unsecured Roll.</b> Record revenue from taxes levied on the unsecured tax roll for debt service repayment.
8613	<b>Voted Indebtedness Levies, Prior Years' Taxes.</b> Record revenue from tax levies of prior years for debt service repayment. Include secured and unsecured receipts from redemptions and tax sales.
8614	<b>Voted Indebtedness Levies, Supplemental Taxes.</b> Record taxes resulting from changes in assessed value because of changes in ownership and completion of new construction at the time they occur. Record in this account those taxes for debt service repayment.
8615	<b>Other Restricted Levies, Secured Roll.</b> Record revenue from taxes levied on the secured tax roll in excess of the statutory rates authorized in the <i>Education Code</i> for purposes other than debt service repayment, such as the County Free Library Tax.
8616	<b>Other Restricted Levies, Unsecured Roll.</b> Record revenue from taxes levied on the unsecured tax roll in excess of the statutory rates authorized in the <i>Education Code</i> for purposes other than debt service repayment, such as the County Free Library Tax. Include secured and unsecured receipts from redemptions and tax sales.
8617	<b>Other Restricted Levies, Prior Years' Taxes.</b> Record revenue from tax levies of prior years in excess of the statutory rates authorized in the <i>Education Code</i> for purposes other than debt service repayment, such as the County Free Library Tax. Include secured and unsecured receipts from redemptions and tax sales.
8618	<b>Other Restricted Levies, Supplemental Taxes.</b> Record taxes resulting from changes in assessed value because of changes in ownership and completion of new construction at the time they occur. Record in this account those restricted

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	levies for purposes other than debt service repayment, such as the County Free Library Tax.
8621	<b>Parcel Taxes.</b> Record the special taxes based on other than the value of properties (not ad valorem) levied by LEA.
8622	<b>Other Non-Ad Valorem Taxes.</b> Record all other non-ad valorem taxes, such as sales taxes or maintenance assessment district funds or Mello-Roos special tax receipts.
8625	<b>Community Redevelopment Funds Not Subject to Revenue Limit Deduction.</b> Record community redevelopment funds not subject to the revenue limit deduction pursuant to <i>Education Code</i> Section 42238(h)(6). Include amounts received pursuant to <i>Health and Safety Code</i> Section 33401 or Section 33676 that are used for land acquisition, facility construction, reconstruction, remodeling, or deferred maintenance and amounts received pursuant to <i>Health and Safety Code</i> sections 33492.15, 33607.5, or 33607.7 that are allocated exclusively for educational facilities.
8629	<b>Penalties and Interest from Delinquent Non-Revenue Limit Taxes.</b> Record penalties and interest collected on delinquent nonrevenue limit taxes.
8631–8639	<b>Sales</b>
8631	<b>Sale of Equipment and Supplies.</b> Record revenue from the sale of supplies and equipment no longer needed by the LEA. The money received is to be placed to the credit of the fund from which the original expenditure for the purchase of the personal property was made ( <i>Education Code</i> Section 17547).
8632	<b>Sale of Publications.</b> Record revenue from the sale of publications.
8634	<b>Food Service Sales.</b> Record sales of meals and other food items.
8639	<b>All Other Sales.</b> Record revenue received from all other sales, such as farm products and printed forms. In the Warehouse Revolving Fund, record revenue received for items requisitioned by site, program, or department staff.
8650	<b>Leases and Rentals.</b> Record revenue for the use of school buildings or portions thereof, houses and other real or personal property of the LEA, and fees collected for civic center use, including reimbursements for custodial salaries and other costs.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
8660	<b>Interest.</b> Record revenue credited or prorated by the county auditor for interest on deposits of the LEA's funds with the county treasurer and interest earnings. Record any premium on issuance of short-term debt such as Tax and Revenue Anticipation Notes (TRANs).
8662	<b>Net Increase (Decrease) in the Fair Value of Investments.</b> Report gains and losses on investments, including changes in the fair value of investments that include the realized and unrealized gains and losses.  Refer to Procedure 425 for information regarding accounting for and reporting the fair value of investments.
8670–8689	<b>Fees and Contracts</b>
8671	<b>Adult Education Fees.</b> Record revenue received from students enrolled in classes for adults under <i>Education Code</i> Section 52612. This revenue is recorded in the Adult Education Fund.
8672	<b>Nonresident Student Fees.</b> Record the revenue received from parents or guardians for the total cost of educating foreign residents in the schools of the LEA ( <i>Education Code</i> Section 48052).
8673	<b>Child Development Parent Fees.</b> Record revenue received from parents or guardians as fees for the instruction and care of children in child development programs. This revenue is recorded in the Child Development Fund.
8674	<b>In-District Premiums/Contributions.</b> Record revenue received by a self-insurance fund from other funds of the district for insurance protection, necessary reserves, or deductible amounts or revenue received by the Retiree Benefit Fund for restricted money from salary-reduction agreements, other contributions for employee retirement benefit payments, or both.
8675	<b>Transportation Fees from Individuals.</b> Report fees paid by students to be transported to school. This object may be used only with Resource 7230, Transportation: Home to School.
8677	<b>Interagency Services Between LEAs.</b> Record revenue received from another LEA for contract services provided for the other LEA, except for federal moneys. Include amounts received for supervisory oversight or for administrative or other services provided to a charter school by an authorizing LEA pursuant to <i>Education Code</i> Section 47613.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	<p>To ensure that federal interagency revenues retain their federal identity, they should be reported in Object 8285, Interagency Contracts Between LEAs.</p> <p>Expenditures made by an LEA to fulfill contracts on behalf of another LEA should be coded to Goal 7110, Nonagency—Educational.</p>
8681	<b>Mitigation/Developer Fees.</b> Report, in the general fund, only those fees collected by agreement between the school district and the developer that are not imposed as a condition for approving a residential development. Any fees that are collected as a condition to approving a development must be deposited in the Capital Facilities Fund (Fund 25).
8689	<b>All Other Fees and Contracts.</b> Record revenue received for all other fees and contract services from entities other than LEAs.
8690–8719	<b>Other Local Revenue</b>
8691	<b>Plus: Miscellaneous Funds Non-Revenue Limit (50 Percent) Adjustment.</b> Record the transfer of 50 percent of the amounts in objects 8081 and 8082 from Revenue Limit Sources to Other Local Revenue by debiting Object 8089 and crediting Object 8691. Objects 8089 and 8691 must net to zero.
8697	<b>Pass-Through Revenue from Local Sources.</b> Record the receipts of those local pass-through grants in which the recipient LEA has administrative involvement.
	<p>Refer to Procedure 750 for information regarding pass-through activities.</p> <p>The disbursements of these pass-through grants should be recorded using objects 7211, 7212, and 7213, as appropriate.</p>
8699	<b>All Other Local Revenue.</b> Record all other local revenue, except funds defined as "miscellaneous funds" in <i>Education Code</i> Section 41604, received from entities other than LEAs. Examples of revenue recorded in this account are library fines, contributions, gifts, and reimbursement for practice teaching.
8710	<b>Tuition.</b> Record tuition payments received from the following sources:
	<p>Tuition contracts for general or specific instructional services, including transportation for interdistrict attendance agreement (IDAA) pupils (<i>Education Code</i> sections 46600–46611). (See Object 8677, Interagency Services Between LEAs, for revenue from contracts for services provided for another LEA's pupils.)</p>

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	Payments from governing boards or authorities in other states for the total cost of educating elementary or high school students whose places of residence are in the other states ( <i>Education Code</i> Section 48050). No California state aid is apportioned for such students.
	Revenues received for excess costs and/or deficits for providing services to other LEAs' pupils.
	All other tuition payments not identified above.
8780-8799	<b>Other Transfers In</b>
8780	<b>Transfers from Sponsoring LEAs to Charter Schools in Lieu of Property Taxes.</b> Record the transfer of local revenues from the sponsoring LEAs to the charter schools.
8781	<b>All Other Transfers from Districts or Charter Schools.</b> Record transfers of resources other than apportionments or pass-through revenues from school districts or charter schools.
8782	<b>All Other Transfers from County Offices.</b> Record transfers of resources other than apportionments or pass-through revenues from county offices. An example is the transfer of funding from a county office of education to a direct-service district for health services.
8783	<b>All Other Transfers from JPAs.</b> Record transfers of resources other than apportionments or pass-through revenues from JPAs.
8791	<b>Transfers of Apportionments from Districts or Charter Schools.</b> Record transfers of apportionments of special education or regional occupational centers/programs from school districts or charter schools.
8792	<b>Transfers of Apportionments from County Offices.</b> Record transfers of apportionments of special education or regional occupational centers/programs from county offices.
8793	<b>Transfers of Apportionments from Joint Powers Agreements (JPAs).</b> Record transfers of apportionments of special education or regional occupational centers/programs from JPAs.
8799	<b>Other Transfers In from All Others.</b> Record transfers of resources from non-LEAs.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
8900–8979	<b>Other Financing Sources</b>
8910–8929	<b>Interfund Transfers In</b>
8911	<b>To Child Development Fund from General Fund.</b> Record transfers of moneys from the general fund to support the activities in the child development fund ( <i>Education Code</i> Section 41013).
8912	<b>Between General Fund and Special Reserve Fund.</b> Record transfers of moneys between the general fund and the special reserve fund ( <i>Education Code</i> sections 42840–42843).
8913	<b>To State School Building Fund/County School Facilities Fund from All Other Funds.</b> Record transfers of any moneys of the district that are required to be expended for the project for which such apportionment was made.
8914	<b>To General Fund from Bond Interest and Redemption Fund.</b> Record transfers of moneys from the bond interest and redemption fund, after all principal and interest payments have been made, to the general fund or to the special reserve fund ( <i>Education Code</i> sections 15234 and 15235).
8915	<b>To Deferred Maintenance Fund from General, Special Reserve, and Building Funds.</b> Record transfers of moneys from the general, special reserve, and/or building funds to the deferred maintenance fund to support state match requirements ( <i>Education Code</i> sections 17582–17587).
8916	<b>To Cafeteria Fund from General Fund.</b> Record transfers of moneys from the general fund to the cafeteria fund. LEAs may record the transfer of Meals for Needy Pupils as an interfund transfer rather than as a revenue limit transfer.
8919	<b>Other Authorized Interfund Transfers In.</b> Record all other authorized transfers of moneys from another fund.
8930–8979	<b>All Other Financing Sources</b>
8931	<b>Emergency Apportionments.</b> Record the amount of emergency apportionments authorized under <i>Education Code</i> sections 41320–41322.
8951	<b>Proceeds from Sale of Bonds.</b> Record proceeds from the sale of bonds at par value. The amounts received from the sale of bonds must be deposited in the building fund of the LEA ( <i>Education Code</i> Section 15146).

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
8953	<b>Proceeds from Sale/Lease Purchase of Land and Buildings.</b> Record revenue from the sale or lease-purchase of land and buildings. The funds may be used under the provisions of <i>Education Code</i> Section 17462.
8961	<b>County School Building Aid.</b> Record revenue received for payments required pursuant to School Building Aid laws ( <i>Education Code</i> sections 16196, 16202, and 16204).
8965	<b>Transfers from Funds of Lapsed/Reorganized LEAs.</b> Record revenue received under <i>Education Code</i> sections 35560 and 35561. Also record revenue received from a defunct charter school or from a charter school whose authorizing LEA changes.
8971	<b>Proceeds from Certificates of Participation.</b> Record the proceeds received from the issuance of certificates of participation.
8972	<b>Proceeds from Capital Leases.</b> Record the proceeds that result from entering into a capital lease.
8973	<b>Proceeds from Lease Revenue Bonds.</b> Record the proceeds from the issuance of lease revenue bonds that are deposited to the general fund or to capital project funds (other than the special reserve fund).
8979	<b>All Other Financing Sources.</b> Record the proceeds from other financing sources not specified above. If long-term debt is issued at a premium, record the premium here. Use Object 8979 for charter school loans.
8980–8999	<b>Contributions</b>
8980	<b>Contributions from Unrestricted Revenues.</b> Record the amount of money that must be transferred from unrestricted resources in the general fund when the revenues for a given restricted resource are less than the expenditures. This account may also apply to transfers of unrestricted resources to other unrestricted resources. Also record in this account the LEA's contribution of matching funds (the cash match) if required by a special project. A transfer is recorded by a debit in this account from Resource 0000, Unrestricted, and by a credit in this account to the given restricted resource. This account must net to zero at the fund level.
8990	<b>Contributions from Restricted Revenues.</b> Record the transfers of restricted revenues to another resource, such as transfers to a School-Based Coordinated Program (SBCP) or a Schoolwide Plan (SWP) or the annual allocation of revenue from former Resource 7005, Categorical Programs Per ADA Allocation. The resource transferring out the revenues records a debit in this account, and the



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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	resource receiving the revenues records a credit in this account. This account must net to zero at the fund level.
8995	<p><b>Categorical Education Block Grant Transfers.</b> Record transfers of categorical education block grant apportionments pursuant to <i>Education Code</i> Section 41500, enacted by AB 825. A maximum of 15 percent of these apportionments may be transferred to any other programs for which the school district or county office of education is eligible for state funding, including programs not in the block grants. The total amount of funding for a program to which funds are transferred may not exceed 120 percent of the amount of state funding originally allocated to the school district or county office for that program in a fiscal year. This account must net to zero at the fund level.</p> <p>Transfers involving these apportionments other than those transfers specified in <i>Education Code</i> Section 41500, such as the transfer of School and Library Improvement Block Grant (Resource 7395) revenue into School Based Coordinated Programs (Resource 7250), should be recorded using Object 8990.</p> <p>Transfers among categorical programs pursuant to Section 12.40 of the annual Budget Act should be recorded using Object 8998.</p>
8997	<p><b>Transfers of Restricted Balances.</b> Record the transfer of restricted account balances pursuant to enacted legislation authorizing such transfers. For example, this account was used in 2003-04 to record transfers of restricted account balances pursuant to AB 1754. AB 1754 authorized LEAs to use certain restricted account balances for general operating purposes to mitigate the effects of state budget reductions. Other transfers between or from restricted programs should be recorded in Object 8990 or Object 8998. This account must net to zero at the fund level.</p>
8998	<p><b>Categorical Flexibility Transfers per Budget Act Section 12.40.</b> Record the reallocation of categorical revenue among categorical programs defined in Section 12.40 of the annual Budget Act (formerly referred to as Mega-Item Transfers and Flexibility Transfers). This account must net to zero at the fund level.</p>
<b>9000–9999</b>	<b>BALANCE SHEET</b>
9100–9499	<b>Assets</b>
9110	<p><b>Cash in County Treasury.</b> Beginning cash balance, plus all moneys deposited in the county treasury less disbursements. Included are all amounts added or deducted at the county level.</p>

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
9111	<b>Fair Value Adjustment to Cash in County Treasury.</b> The difference between the fair value and the reported amount of cash in county treasury.
9120	<b>Cash in Bank(s).</b> Indicated balances in separate bank accounts for adult education incidentals, scholarships and loans, school farm accounts, and cafeteria accounts ( <i>Education Code</i> sections 35314, 52704, and 38093). This account also includes any money in a bank clearing account awaiting deposit in the county treasury ( <i>Education Code</i> Section 41017).
9130	<b>Revolving Cash Account.</b> (1) A recording of the establishment and maintenance of a cash account for use of the chief accounting officer or other designated official of the LEA in accordance with <i>Education Code</i> sections 42800–42806, 42810, 42820, and 42821. This account is similar in use and control to accounts known as petty cash funds and includes petty cash funds. Once this account is established, it should be carried indefinitely in the general ledger and shown in all balance sheets and budgets until it is abolished. The amount recorded will vary only through increase or decrease in the total amount approved for the account. It should be noted that the revolving cash account is a reservation of cash within an already established fund and is not to be considered or accounted for as a separate fund or entity. (2) A sum of money, either in the form of currency or a special bank account, set aside for the purpose of making change or immediate payments of small amounts. The invoices for these payments are accumulated, and the account is reimbursed from the LEA's funds, thus maintaining the account at the predetermined amount. Checks drawn on a prepayment account may not be for more than \$1,000, including tax and freight ( <i>Education Code</i> Section 42821).
9135	<b>Cash with a Fiscal Agent/Trustee.</b> Deposits with a fiscal agent, such as a third-party administrator for self-insurance. This account also includes the proceeds of certificates of participation deposited with a trustee and amounts in an escrow account.
9140	<b>Cash Collections Awaiting Deposit.</b> Money received by an LEA and not yet deposited in a bank account or the county treasury ( <i>Education Code</i> Section 41001). This account is usually posted on June 30 for those material revenues in the LEA safe/vault.
9150	<b>Investments.</b> Investments authorized by the governing board of the LEA recorded at fair value (GASB Statement 31) ( <i>Education Code</i> Section 41015).
9200	<b>Accounts Receivable.</b> Amounts due from private persons, firms, or corporations. Accounts receivable will be limited to auditable amounts (usually based on contractual agreements); to amounts billed but not received; and, within provision

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	of law, to amounts that were earned by the close of the fiscal year and that might have been received and deposited in the county treasury by that date except for the lack of time for settlement.
9290	<b>Due from Grantor Governments.</b> This account is used to record amounts receivable from state and federal agencies. It represents amounts earned by or allocated to a school district from state sources or earned under a federal financial assistance program in excess of cash receipts during the fiscal year.  This account is also used if the grantors are other governmental entities, including counties, cities, and other school districts.
9310	<b>Due from Other Funds.</b> Amounts due from other funds of the LEA.
9320	<b>Stores.</b> Amounts of materials, supplies, and possibly certain equipment kept in a central warehouse and subject to requisition and use.
9330	<b>Prepaid Expenditures (Expenses).</b> Payments made in advance of the receipt and use of services. Prepaid insurance premiums are illustrative. That portion of the premium paid in advance for coverage beyond the current fiscal year may be charged to Prepaid Expenditures. Adjustments to this account in the succeeding fiscal years apportion the premium over the period covered.  In governmental fund accounting, expenditures for insurance and similar services extending over more than one accounting period need not be allocated between or among accounting periods but may be accounted for as expenditures in periods of acquisition.
9340	<b>Other Current Assets.</b> Assets that are available or that can be made readily available to meet operating costs or to pay current liabilities.
9400–9499	<b>Capital Assets.</b> Accounts used in the proprietary or trust funds to present the assets of the LEA. These assets are of a permanent character and are intended to continue to be held or used.
9410	<b>Land.</b> A capital asset account reflecting the cost of land owned by the LEA.
9420	<b>Land Improvements.</b> A capital asset account reflecting the cost of permanent improvements, other than buildings, which add value to land, such as sidewalks, gutters, pavement, and fences.
9425	<b>Accumulated Depreciation—Land Improvements.</b> A contra-asset account used to report the accumulation of systematic and rational allocations of the estimated

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	cost of using land improvements on a historical cost basis over the useful life of the improvement. The depreciation expense is reported in Object 6900, Depreciation Expense, in proprietary and fiduciary funds only.
9430	<b>Buildings.</b> A capital asset account reflecting the cost of permanent structures owned or held by the LEA.
9435	<b>Accumulated Depreciation—Buildings.</b> A contra-asset account used to report the accumulation of systematic and rational allocations of the estimated cost of using buildings on a historical cost basis over the useful life of the building. The depreciation expense is reported in Object 6900, Depreciation Expense, in proprietary and fiduciary funds only.
9440	<b>Equipment.</b> A capital asset account reflecting the cost of properties that do not lose their identity when removed from their location and are not changed materially or consumed immediately (e.g., within one year) by use. Equipment has relatively permanent value, and its purchase increases the total value of an LEA's physical properties. Examples include furniture, vehicles, machinery, motion picture film, videotape, furnishings that are not an integral part of the building or building system, and certain intangible assets, such as major software programs.
9445	<b>Accumulated Depreciation—Equipment.</b> A contra-asset account used to report the accumulation of systematic and rational allocations of the estimated cost of using equipment on a historical cost basis over the useful life of the equipment. The depreciation expense is reported in Object 6900, Depreciation Expense, in the proprietary and fiduciary funds only.
9450	<b>Work in Progress.</b> An asset account representing the value of partially completed work.
9500–9699	<b>Liabilities</b>
9500	<b>Accounts Payable (Current Liabilities).</b> Amounts due to private persons, firms, or corporations for services rendered and goods received on or before the close of the fiscal year. Do not include encumbrances represented by purchase orders or contracts, or portions thereof, for services or goods to be furnished after the close of the fiscal year. Include salaries earned but not paid until after June 30, amounts owed to other LEAs for tuition payments, that portion of construction contracts represented by work done by the close of the fiscal period, invoices for materials or equipment received prior to June 30, and so forth. Use Object 9620, Due to Student Groups/Other Agencies, for the liabilities of a trust or agency fund.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
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*Note:* Range 9501–9589 is reserved for local use, such as for payroll tax accruals.

9501–9589	<i><b>Accounts Payable (Locally Defined).</b> These accounts are used at the option of LEAs to track current liabilities, such as payroll withholdings and deductions. For CDE reporting, these accounts must be converted to Object 9500.</i>
9590	<b>Due to Grantor Governments.</b> This account is used to record amounts owed to state entities and federal agencies. The account represents cash received from state sources or under a federal financial assistance program that exceeds the amounts earned and which must be returned to the grantors. This account would also be used if the grantors are other governmental entities, including counties, cities, and other school districts.
9610	<b>Due to Other Funds.</b> Amounts due to other funds within the LEA.
9620	<b>Due to Student Groups/Other Agencies.</b> This account is used to record amounts owed to student groups or other agencies within agency funds. Amounts recorded as Due to Student Groups/Other Agencies equal the difference between amounts recorded as assets and any recorded liabilities of student groups/other agencies, such as accounts payable. The assets held should equal the net assets and liabilities of the agencies, and there is no ending fund balance. Do not use Object 9500, Accounts Payable, in a trust or agency fund. Other general receivables from students in the general fund should be coded to Object 9200, Accounts Receivable.  There is no fund balance in an agency fund. Assets held equal the liability to the other agency.
9640	<b>Current Loans.</b> Short-term obligations representing amounts borrowed for short periods of time and usually evidenced by notes payable. Such loans may be unsecured or secured by specific revenues to be collected, such as tax-anticipation notes.
9650	<b>Deferred Revenue.</b> Revenue that has been received but is unearned as of June 30.
9660–9669	<b>Long-Term Liabilities.</b> An account set up to reflect long-term liabilities in the proprietary or trust funds (not used in governmental funds).
9661	<b>General Obligation Bonds Payable.</b> The liability account reflecting the outstanding balance of general obligation bonds.
9662	<b>State School Building Loans Payable.</b> A liability account reflecting the outstanding principal balance of State School Building Loans. State School

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
	Building Loans were granted in the past to facilitate school construction. These loans are no longer being offered under this program; however, some LEAs still have outstanding balances that are being repaid.
9664	<b>Net OPEB Obligation.</b> The cumulative difference, following the effective date of GASB Statement 45, between an LEA's annual postemployment benefits other than pensions (OPEB) cost (in relation to its Annual Required Contribution) and the LEA's actual contributions to its OPEB plan, including any net OPEB obligation (or asset) at transition. The Net OPEB Obligation is reported only in the LEA's accrual-basis financial statements.
9665	<b>Compensated Absences Payable.</b> A liability account reflecting accumulated unpaid benefits that are provided to employees. These benefits include vacation and sick leave and sabbatical leaves that are paid to employees upon termination or retirement. However, this liability account does not include sick-leave balances for which employees receive only additional service time for pension benefit purposes.
9666	<b>Certificates of Participation (COPs) Payable.</b> The liability account reflecting the outstanding principal balance of COPs.
9667	<b>Capital Leases Payable.</b> A liability account reflecting the noncurrent portion of the discounted present value of total future stipulated payments on lease agreements that are capitalized.
9668	<b>Lease Revenue Bonds Payable.</b> A liability account reflecting the outstanding balance of lease revenue bonds.
9669	<b>Other General Long-Term Debt.</b> A liability account reflecting other long-term liabilities such as the noncurrent portions of liabilities for termination benefits paid over time, unfunded pension obligations, and other similar items.
9700–9799	<b>Fund Balance/Net Assets.</b> Fund balance represents the difference between the assets and liabilities of a governmental fund. Net assets represents the difference between the assets and liabilities of a proprietary or fiduciary fund. In the following definitions, references to fund balance also apply to net assets.
9700–9759	<b>Fund Balance, Reserved</b>
9710–9720	<b>Reserve for Nonexpendable Assets.</b> An account set up to reflect the value of nonexpendable asset accounts. At the beginning of the fiscal year, this account is credited with the same amounts that are set up as debits to the previously described asset accounts.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
9711	<b>Reserve for Revolving Cash.</b> The portion of fund balance reflecting the value of the revolving cash account.
9712	<b>Reserve for Stores.</b> The portion of fund balance reflecting the value of stores.
9713	<b>Reserve for Prepaid Expenditures (Expenses).</b> The portion of fund balance reflecting the value of prepaid expenditures/expenses.
9719	<b>Reserve for All Others.</b> The portion of fund balance reflecting the value not specified above. For example, this object is used for the legal reserve required for Certificates of Participation.
9720	<b><i>Reserve for Encumbrances.</i></b> <i>An amount set aside to provide for encumbrances. Generally, encumbrances are closed at the end of the fiscal year, and new purchase orders or contracts are opened for the subsequent year. However, an LEA may disclose outstanding purchase orders or contracts that will be included in the budget either as a footnote to the financial statements or in the Reserve for Encumbrances.</i>
9730	<b>General Reserve.</b> The amount set aside by the governing board to meet cash requirements in the succeeding fiscal year until adequate proceeds from the taxes levied or from the apportionment of state funds are available ( <i>Education Code</i> Section 42124).
9740	<b>Legally Restricted Balance.</b> Segregation of a portion of a fund balance for legally restricted funds, such as unspent instructional material funds or unspent proceeds from Certificates of Participation.
9760–9799	<b>Fund Balance, Unreserved</b>
9770	<b>Designated for Economic Uncertainties.</b> The portion of the fund balance that has been designated (set aside) by the governing board to provide for emergencies or economic events, such as revenue shortfalls, that could not be anticipated.
9775	<b>Designated for the Unrealized Gains of Investments and Cash in County Treasury.</b> The portion of the fund balance attributable to an increase in the fair value of investments or cash in the county treasury, an unrealized gain that is not available for spending.
9780	<b>Other Designations.</b> The portion of the fund balance that has been set aside by the governing board for specific purposes.

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## Procedure 330    Object Classification

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<u>Code</u>	<u>Definition</u>
9790	<b>Undesignated/Unappropriated.</b> This account represents the excess of the fund's assets over its liabilities and may include a budgetary element: the excess of estimated revenue (and estimated other financing sources) over appropriations (and estimated other financing uses).
9791	<b>Beginning Fund Balance.</b> This account represents the difference between the assets and liabilities of a fund at the beginning of the fiscal year. Audit adjustments and other restatements that restate the beginning fund balance are recorded using objects 9793 and 9795, as appropriate.
9793	<b>Audit Adjustments.</b> This account is used to record the audit adjustments that restate the beginning fund balance.
9795	<b>Other Restatements.</b> This account is used to record material prior-year corrections that restate the beginning fund balance.
9800–9839 <b>Budgetary Accounts.</b> <i>The following budgetary accounts are used by LEAs to record the budget. These accounts are not reported to CDE.</i>	
9810	<b>Estimated Revenue.</b> <i>The budgetary account that shows all revenue estimated to be received or accrued during the fiscal year. This account is a control account in a fund's general ledger, and it must agree with the subsidiary ledger.</i>
9815	<b>Estimated Other Financing Sources.</b> <i>The budgetary account that shows all the other financial resources that are estimated to be received or accrued during the fiscal year. This account is optional; LEAs may use Object 9810 to record both budgeted revenue and other sources.</i>
9820	<b>Appropriations.</b> <i>Authorization granted by the governing board to make expenditures and to incur obligations for specific purposes and amounts within the fiscal year. This account is a control account in the general ledger, and it must agree with the subsidiary ledger.</i>
9825	<b>Estimated Other Financing Uses.</b> <i>The budgetary account that shows all of the other financial obligations that will be paid or will accrue during the fiscal year. This account is optional; LEAs may use Object 9820 to record both appropriations and estimated other uses.</i>
9830	<b>Encumbrances.</b> <i>Obligations in the form of purchase orders, contracts, salaries, or other commitments that are chargeable to an appropriation and for which part of the appropriation is reserved. Encumbrances are canceled when the obligation is paid or when the actual liability is set up.</i>



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## Procedure 330    Object Classification

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### Code

### Definition

*This control account represents the total amount of the appropriations that has been designated for expenditures for specified purposes. Details of encumbrances by classification or account are recorded in the same subsidiary appropriations ledger in which expenditures are recorded.*

#### 9840–9899    **Control Accounts**

9840        **Revenue.** *The control account for all revenue that is received or accrued during the fiscal year.*

9845        **Other Financing Sources.** *The control account for other financing sources. This account is optional; LEAs may use Object 9840 as the control account for revenue and other financing sources.*

9850        **Expenditures.** *The control account for all expenditures that are paid or accrued during the fiscal year.*

9855        **Other Financing Uses.** *The control account for other financing uses. This account is optional; LEAs may use Object 9850 as the control account for expenditures and other financing uses.*

#### 9900–9979    **Nonoperating Accounts**

9910        **Suspense Clearing.** *An account that carries charges or credits temporarily pending determination of the proper account or accounts to which they are to be posted and that may be used for posting of amounts not yet analyzed to decide whether they should be revenue, expenditure, or abatement. Charges that must be allocated or prorated may be posted in this account until such allocation or proration can be calculated. This account must balance to zero at the close of the fiscal year and should be reviewed monthly.*

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The main purpose of most LEA transportation departments is to provide home-to-school transportation for its own students, but other types of transportation services may be provided as well including transportation for field trips, athletic events, and other special events. Transportation other than from home to school is considered "Other Miles." The transportation department may also provide home-to-school transportation for students in other districts.

**Example 1: Transportation Costs for "Other Miles" Are Transferred Out of the Home-to-School Transportation Program.**

Many LEAs collect costs in a "cost pool" and then transfer out costs on the basis of documentation. For example, the costs of instructional field trips ("Other Miles") are often charged to the home-to-school transportation resource and function (the transportation "cost pool") and subsequently transferred to the user program. The accounting for costs of various activities that are not part of the home-to-school transportation program are illustrated in this example. Such costs ("Other Miles") are excluded from Resource 7230, Transportation: Home to School, and Function 3600, Pupil Transportation.

- (a) Initially, all costs of the transportation system are collected in the home-to-school transportation resource and function. These costs include salaries, benefits, supplies, services, and capital outlay.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	7230	0	0000	3600	2200	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. The home-to-school activity is provided for all students.
- Function 3600 is Pupil Transportation.
- Object 2200 is Classified Support Salaries.
- School is not required.

- (b) The cost of the field trip is documented and moved out of the home-to-school transportation resource and function. Field trips ("Other Miles") are not included in the home-to-school transportation program.

## Procedure 640      Transportation—Coding Examples

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	0000	9110	000
Cr	01	7230	0	0000	3600	5710	000
Dr	01	0000	0	1110	1000	5710	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School, and Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed, and Goal 1110 is Regular Education, K–12. Goal is not required for balance sheet accounts.
- Function 3600 is Pupil Transportation, and Function 1000 is Instruction. Function is not required for balance sheet accounts.
- Object 5710 is Transfers of Direct Costs; Object 9110 is Cash in County Treasury.
- School is not required.

(c) During the year, students are transported by bus from School Site A to School Site B to participate in an instructional program. The documented costs are transferred to the instructional program. Again, this type of activity is considered "Other Miles" and is not included in the home-to-school transportation program (resource and function).

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	0000	9110	000
Cr	01	7230	0	0000	3600	5710	000
Dr	01	0000	0	1110	1000	5710	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School, and Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed, and Goal 1110 is Regular Education, K–12. Goal is not required for balance sheet accounts.
- Function 3600 is Pupil Transportation, and Function 1000 is Instruction. Function is not required for balance sheet accounts.
- Object 5710 is Transfers of Direct Costs, and Object 9110 is Cash in County Treasury.
- School is not required.

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## Procedure 640    Transportation—Coding Examples

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- (d)    Costs of other than home-to-school transportation may be directly charged to the proper resource, goal, and function. In this example, the high school band charters a private bus to attend a weekend parade.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	1677	4000	5800	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 1677 is a locally defined goal for a regular high school music program.
- Function 4000 is Ancillary Services. The optional Function 4100, School-Sponsored Co-Curricular, may be used.
- Object 5800 is Professional/Consulting Services and Operating Expenditures.
- School is not required.

LEAs often provide transportation services for other LEAs' pupils. In some cases, the operating LEA contracts with the other LEAs and the LEAs for which the services are provided retain prime responsibility. In other cases, the operating LEA is directly funded and has prime responsibility. The accounting for these two scenarios is different.

### **Example 2: A School District Provides Transportation Services for Contracting LEAs.**

- a)    District A contracts with District B to provide busing service from home to school for its students. District B, the providing district, transfers those costs associated with providing services to District A from the pool of costs it has incurred to transport its own students. Those costs are identified using Goal 7110, Nonagency—Educational.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	7110	3600	5710	000
Cr	01	7230	0	0000	3600	5710	000

- Fund 01 is the General Fund of District B.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.

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## Procedure 640      Transportation—Coding Examples

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- Goal 7110 is Nonagency—Educational, and Goal 0000 is Undistributed.
  - Function 3600 is Pupil Transportation.
  - Object 5710 is Transfers of Direct Costs.
  - School is not required.
- b) District A contracts with District B to provide buses for its football team. Again, District B, the providing district, transfers those costs associated with providing services to District A from the pool of costs it has incurred to transport its own students. Unlike Example 2, however, these costs are considered "Other Miles" and may not be charged to the home-to-school transportation program (function).

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0100	0	7110	4000	5710	000
Cr	01	0100	0	0000	0000	9110	000
Dr	01	7230	0	7110	0000	9110	000
Cr	01	7230	0	0000	3600	5710	000

- Fund 01 is the General Fund of the providing district.
  - Resource 7230 is Transportation: Home to School. The district has optionally defined an unrestricted Resource 0100 to track the revenue and expenditures of transportation contracts other than home-to-school contracts.
  - Project Year is not applicable in this example.
  - Goal 7110 is Nonagency—Educational, and Goal 0000 is Undistributed. Goal is not required for balance sheet accounts.
  - Function 4000 is Ancillary Services, and Function 3600 is Pupil Transportation. Function is not required for balance sheet accounts.
  - Object 5710 is Transfers of Direct Costs, and Object 9110 is Cash in County Treasury.
  - School is not required.
- c) District B has a central garage that provides services for the vehicles of other LEAs as well as for its own buses and other vehicles. District A contracts with District B to provide maintenance service for District A's vehicles other than its school buses. District B transfers the costs of the maintenance services it provides for District A from the pool of costs it has accumulated in its home-to-school transportation program, which includes all costs of vehicle maintenance. These costs are not considered home-to-school transportation costs because the maintenance is not

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performed on buses used to transport pupils between home and school; rather, the costs are considered part of the maintenance and operations function.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0100	0	7110	8100	5710	000
Cr	01	0100	0	0000	0000	9110	000
Dr	01	7230	0	0000	0000	9110	000
Cr	01	7230	0	0000	3600	5710	000

- Fund 01 is the General Fund of the district operating the central garage.
- Resource 7230 is Transportation: Home to School. The district has optionally defined an unrestricted Resource 0100 to track the revenue and expenditures of transportation contracts other than home-to-school contracts.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency—Educational, and Goal 0000 is Undistributed. Goal is not required for balance sheet accounts.
- Function 8100 is Plant Maintenance and Operations, and Function 3600 is Pupil Transportation. Function is not required for balance sheet accounts.
- Object 5710 is Transfers of Direct Costs, and Object 9110 is Cash in County Treasury.
- School is not required.

### Example 3: A School District Receives Payment from Contracting LEAs.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0100	0	0000	0000	9110	000
Cr	01	0100	0	0000	4000	8677	000
Cr	01	0100	0	0000	8100	8677	000
Dr	01	7230	0	0000	0000	9110	000
Cr	01	7230	0	0000	3600	8677	000

- Fund 01 is the General Fund of the providing district.
- Resource 7230 is Transportation: Home to School. The district has created an unrestricted Resource 0100 to track transportation contracts other than home-to-school contracts.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is generally not required for revenues or balance sheet accounts.

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- Function 0000 is not required for revenue accounts or balance sheet accounts. However, the LEA may use the function field to match revenue to the expenditures. In this case, Function 4000 is Ancillary Services; Function 8100 is Plant Maintenance and Operations; and Function 3600 is Pupil Transportation.
- Object 8677 is Interagency Services between LEAs, and Object 9110 is Cash in County Treasury.
- School is not required.

### Example 4: A Contracting LEA Pays Another School District for Transportation Services.

- (a) District A records the payment to District B for home-to-school transportation services.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	3600	5100	000
Cr	01	7230	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is not required for balance sheet accounts.
- Function 3600 is Pupil Transportation. Function is not required for balance sheet accounts.
- Object 5100 is Subagreements for Services, and Object 9110 is Cash in County Treasury.
- School is not required.

- (b) District A records the payment to District B for the use of buses for a field trip and the transport of the football team.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	1110	1000	5800	000
Dr	01	0000	0	1110	4000	5800	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.



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- Goal 1110 is Regular Education, K–12. Goal is not required for balance sheet accounts.
  - Function 1000 is Instruction, and Function 4000 is Ancillary Services. Function is not required for balance sheet accounts.
  - Object 5800 is Professional/Consulting Services and Operating Expenditures, and Object 9110 is Cash in County Treasury.
  - School is not required.
- (c) District A records the payment to District B for the cost of vehicle maintenance performed on the superintendent's car, the cafeteria's delivery van, and a maintenance pickup truck.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	7100	5800	000
Dr	01	0000	0	0000	3700	5800	000
Dr	01	0000	0	0000	8100	5800	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is not required for balance sheet accounts.
- Function 7100 is Board and Superintendent; Function 3700 is Food Services; and Function 8100 is Plant Maintenance and Operations. Function is not required for balance sheet accounts.
- Object 5800 is Professional/Consulting Services and Operating Expenditures, and Object 9110 is Cash in County Treasury.
- School is not required.

### **Example 5: An LEA Pays a Transportation JPA for the Excess Costs of Providing Transportation Services to the LEA's Pupils.**

A transportation joint powers agreement/agency (JPA) is funded for and provides transportation services for another LEA's pupils. The JPA is responsible for reporting all costs of its home-to-school transportation services since it receives the home-to-school apportionment, not the participating LEA. In providing the services, the JPA incurs excess costs beyond what is covered by the home-to-school apportionment; therefore, it charges the participating LEA for these excess costs.

A contract for services does not exist in this situation. Therefore, the JPA would not record the costs associated with providing transportation

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## Procedure 640     Transportation—Coding Examples

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services to the LEA's pupils using Goal 7110, Nonagency—Educational, and would not record the revenue received from billing the LEA for the excess costs of transporting the LEA's pupils using Object 8677, Interagency Services Between LEAs. (For additional JPA accounting guidance, refer to Procedure 805.)

For the same reason, the participating LEA would not record the payment of excess costs to the JPA using Object 5800, Professional/Consulting Services and Operating Expenditures. Doing so could result in double counting expenditures at the state level.

The JPA and the LEA will record excess cost payments and receipts as shown below:

- a)     The JPA records the transportation costs in the home-to-school transportation resource and function using the undistributed goal.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	7230	0	0000	3600	2200	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. The home-to-school activity is provided for all students.
- Function 3600 is Pupil Transportation.
- Object 2200 is Classified Support Salaries.
- School is not required.

- b)     The LEA records the payment to the transportation JPA for the excess costs of transporting the LEA's pupils.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	9200	7143	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is not required for balance sheet accounts.
- Function 9200 is Transfers Between Agencies. Function is not required for balance sheet accounts.

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- Object 7143 is Other Tuition, Excess Costs, and/or Deficit Payments to JPAs, and Object 9110 is Cash in County Treasury.
  - School is not required.
- c) The JPA records the receipt of the LEA's payment for excess costs.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	0000	9110	000
Cr	01	7230	0	0000	0000	8710	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts or revenues.
- Object 9110 is Cash in County Treasury, and Object 8710 is Tuition.
- School is not required.

### Example 6: A School District Transfers the Cost of Home-to-School Transportation to Special Education Goals.

The following are three different illustrations of how the costs of home-to-school transportation can be charged to special education goals. The examples vary according to the accounting used at the time the costs are initially incurred. Note that only the costs of transporting severely disabled students are accounted for in Resource 7240, Transportation: Special Education (Severely Disabled/Orthopedically Impaired).

- (a) Initially, the costs of transporting severely disabled students for whom transportation is required by their individualized education programs (IEPs) are distinguished from the costs of transporting regular and other special education students by using the goal appropriate to each population.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	1110	3600	2200	000
Dr	01	7230	0	5001	3600	2200	000
Dr	01	7230	0	5770	3600	2200	000
Dr	01	7240	0	5750	3600	2200	000
Cr	01	7230	0	0000	0000	9110	000
Cr	01	7240	0	0000	0000	9110	000

## Procedure 640      Transportation—Coding Examples

- Fund 01 is the General Fund.
  - Resource 7230 is Transportation: Home to School, and Resource 7240 is Transportation: Special Education (Severely Disabled/Orthopedically Impaired).
  - Project Year is not applicable in this example.
  - Goal 1110 is Regular Education, K–12; Goal 5001 is Special Education—Unspecified; Goal 5750 is Special Education, Ages 5–22 Severely Disabled; and Goal 5770 is Special Education, Ages 5–22 Nonseverely Disabled. Goal is not required for balance sheet accounts.
  - Function 3600 is Pupil Transportation. Function is not required for balance sheet accounts.
  - Object 2200 is Classified Support Salaries, and Object 9110 is Cash in County Treasury.
  - School is not required.
- (b) Initially, all the costs of the transportation system are collected using Goal 0000, Undistributed, in the home-to-school resource.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	3600	2200	000
Cr	01	7230	0	0000	0000	9110	000

At year-end, the costs of transporting severely disabled students for whom transportation is required by their individualized education programs (IEPs) are transferred from Resource 7230 and Goal 0000 to Resource 7240 and Goal 5750. The costs of transporting nonseverely disabled students are transferred from Goal 0000 to Goal 5770, but the resource remains 7230 because transportation is not required by their IEPs.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	0000	9110	000
Dr	01	7230	0	5770	3600	5710	000
Cr	01	7230	0	0000	3600	5710	000
Dr	01	7240	0	5750	3600	5710	000
Cr	01	7240	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School, and Resource 7240 is Transportation: Special Education (Severely Disabled/Orthopedically Impaired).
- Project Year is not applicable in this example.

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- Goal 0000 is Undistributed; Goal 5750 is Special Education, Ages 5–22 Severely Disabled; and Goal 5770 is Special Education, Ages 5–22 Nonseverely Disabled. Goal is not required for balance sheet accounts.
  - Function 3600 is Pupil Transportation. Function is not required for balance sheet accounts.
  - Object 2200 is Classified Support Salaries; Object 5710 is Transfers of Direct Costs; and Object 9110 is Cash in County Treasury.
  - School is not required.
- (c) Initially, the costs of transporting all Special Education students are charged to Goal 5001, Special Education—Unspecified.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	3600	2200	000
Dr	01	7230	0	5001	3600	2200	000
Cr	01	7230	0	0000	0000	9110	000

At year-end, the costs of transporting severely disabled students for whom transportation is required by their individualized education programs (IEPs) are transferred from Resource 7230 and Goal 5001 to Resource 7240 and Goal 5750.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7230	0	0000	0000	9110	000
Cr	01	7230	0	5001	3600	5710	000
Dr	01	7240	0	5750	3600	5710	000
Cr	01	7240	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School, and Resource 7240 is Transportation: Special Education (Severely Disabled/Orthopedically Impaired).
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; Goal 5001 is Special Education—Unspecified; and Goal 5750 is Special Education, Ages 5–22 Severely Disabled. Goal is not required for balance sheet accounts.
- Function 3600 is Pupil Transportation. Function is not required for balance sheet accounts.
- Object 2200 is Classified Support Salaries; Object 5710 is Transfers of Direct Costs; and Object 9110 is Cash in County Treasury.

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## Procedure 650    Facility Maintenance Programs—Coding Examples

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**L**ocal educational agencies (LEAs) that participate in certain school facility programs are required by state law to establish various restricted funds or accounts for facility maintenance purposes. These facility maintenance programs, which are administered by the Office of Public School Construction (OPSC), include the Deferred Maintenance Program and the School Facility Program Restricted Maintenance Account.

For guidance and coding examples for routine facilities maintenance expenditures, refer to Procedure 770, Distinguishing Between Supplies and Equipment.

### Deferred Maintenance Fund

To receive deferred maintenance money, LEAs must establish a restricted fund referred to as the Deferred Maintenance Fund (Fund 14) and make annual deposits to this fund (Section 1866, Title 2, of the *California Code of Regulations*). Fund 14 is established in the standardized account code structure (SACS) to account for state apportionments and LEA contributions for deferred maintenance purposes pursuant to these requirements. (For additional information, refer to the definition of Fund 14 in Procedure 305.) Deposits to the Deferred Maintenance Fund are coded to Fund 14 and Resource 6205. Both codes are necessary for proper treatment.

#### **Example 1: An LEA Makes Its Deferred Maintenance Match with an Interfund Transfer from the General Fund to the Deferred Maintenance Fund.**

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	9300	7615	000
Cr	01	0000	0	0000	0000	9110	000
Dr	14	6205	0	0000	0000	9110	000
Cr	14	6205	0	0000	0000	8915	000

*Note:* LEAs frequently make their deferred maintenance match using Ongoing and Major Maintenance Account funds (Resource 8150). See page 650-5 for coding examples.

- Fund 01 is the General Fund, and Fund 14 is the Deferred Maintenance Fund.
- Resource 0000 is Unrestricted, and Resource 6205 is Deferred Maintenance Apportionment.
- Project Year is not applicable in this example.

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## Procedure 650      Facility Maintenance Programs—Coding Examples

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- Goal 0000 is Undistributed. Goal is generally not required for revenues or balance sheet transactions.
- Function 9300 is Interfund Transfers. Function is not required for revenues or balance sheet transactions.
- Object 7615 is From General, Special Reserve, and Building Funds to Deferred Maintenance Fund; Object 9110 is Cash in County Treasury; and Object 8915 is To Deferred Maintenance Fund from General, Special Reserve, and Building Funds.
- School is not required.

### **Example 2: An LEA Receives a Deferred Maintenance Apportionment from the State Allocation Board.**

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	14	6205	0	0000	0000	9110	000
Cr	14	6205	0	0000	0000	8540	000

- Fund 14 is the Deferred Maintenance Fund.
- Resource 6205 is Deferred Maintenance Apportionment.
- Project Year is not applicable in this example.
- Goal is generally not required for revenues or balance sheet transactions.
- Function is not required for revenues or balance sheet transactions.
- Object 9110 is Cash in County Treasury, and Object 8540 is Deferred Maintenance Allowance.
- School is not required.

### **Example 3: An LEA Posts Interest Earnings to the Deferred Maintenance Fund.**

Generally, any interest earned on money deposited in the Deferred Maintenance Fund is applied to the fund and used for projects listed on the LEA's Five-Year Plan approved by the State Allocation Board (Section 1866.12, Title 2, of the *California Code of Regulations*).

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	14	6205	0	0000	0000	9110	000
Cr	14	6205	0	0000	0000	8660	000

- Fund 14 is the Deferred Maintenance Fund.
- Resource 6205 is Deferred Maintenance Apportionment.
- Project Year is not applicable in this example.



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## Procedure 650      Facility Maintenance Programs—Coding Examples

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- Goal is generally not required for revenues or balance sheet transactions.
- Function is not required for revenues or balance sheet transactions.
- Object 9110 is Cash in County Treasury, and Object 8660 is Interest.
- School is not required.

### **Example 4: An LEA Transfers Unmatched Deferred Maintenance Funds to the General Fund.**

If the deferred maintenance funds allocated by the State Allocation Board pursuant to *Education Code* sections 17584 and 17585 are insufficient to fully match the local funds deposited in the Deferred Maintenance Fund, the LEA may use the unmatched funds in various ways. The OPSC encourages LEAs to use any unmatched local funds on deferred maintenance projects. However, the OPSC also allows LEAs to count unmatched local funds toward the subsequent year's deposit. Additionally, the governing board of the LEA may adopt a resolution to transfer the excess local funds deposited in this fund to any other expenditure classifications in other LEA funds (*Education Code* Section 17583).

If an LEA chooses to transfer the excess funds back to the fund from which it made the initial deposit in the same fiscal year as the deposit, it should reverse that portion of the original transfer.

If an LEA chooses to transfer the excess funds in a subsequent fiscal year or to a fund other than the fund from which it made the initial deposit, the LEA would record the transfer in the following manner (example assumes transfer back to the general fund in a subsequent fiscal year):

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	14	6205	0	0000	9300	7619	000
Cr	14	6205	0	0000	0000	9110	000
Dr	01	0000	0	0000	0000	9110	000
Cr	01	0000	0	0000	0000	8919	000

- Fund 14 is the Deferred Maintenance Fund, and Fund 01 is the General Fund.
- Resource 6205 is Deferred Maintenance Apportionment, and Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is generally not required for revenues or balance sheet transactions.

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## Procedure 650    Facility Maintenance Programs—Coding Examples

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- Function 9300 is Interfund Transfers. Function is not required for revenues or balance sheet transactions.
- Object 7619 is Other Authorized Interfund Transfers Out; Object 9110 is Cash in County Treasury; and Object 8919 is Other Authorized Interfund Transfers In.
- School is not required.

### Ongoing and Major Maintenance Account

To ensure that state-funded facility projects are kept in good repair, pursuant to *Education Code* Section 17070.75, LEAs with a project funded by the State Allocation Board after November 1998 under the Leroy F. Greene School Facilities Act of 1998 must establish and maintain a restricted maintenance account within their general fund to be used for ongoing and major maintenance of school buildings. For the next 20 years after receiving facility funds, districts must annually make a deposit into the account that is equal to or greater than 3 percent of their total general fund budgeted expenditures, including other financing uses, for that fiscal year; for the COEs, the 3 percent requirement shall be based on the COE's county school service fund less any restricted accounts. (See *Education Code* Section 17070.75 for exceptions to the annual contribution requirement.)

Activity for this restricted account is recorded in Resource 8150, Ongoing and Major Maintenance Account (OMMA), which is sometimes referred to as the Restricted Maintenance Account (RMA).

LEAs must be sure to make OMMA contributions to Resource 8150 and not confuse them with contributions made to Resource 8100, Routine Repair and Maintenance (RRRMF: *Education Code* Section 17014). Resource 8100 is related to the Leroy F. Greene State School Building Lease-Purchase Law of 1976 and does not apply to school districts that received funds under the Leroy F. Greene School Facilities Act of 1998. Failure to correctly code the contributions may adversely affect reports such as the LEA's Criteria and Standards report.

#### **Example 1: An LEA Makes a Contribution to the Ongoing and Major Maintenance Account.**

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	0000	8980	000
Cr	01	0000	0	0000	0000	9110	000
Dr	01	8150	0	0000	0000	9110	000
Cr	01	8150	0	0000	0000	8980	000

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## Procedure 650     Facility Maintenance Programs—Coding Examples

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- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted, and Resource 8150 is Ongoing and Major Maintenance Account.
- Project Year is not applicable in this example.
- Goal is generally not required for revenues or balance sheet transactions.
- Function is not required for revenues or balance sheet transactions.
- Object 8980 is Contributions from Unrestricted Revenues, and Object 9110 is Cash in County Treasury.
- School is not required.

### **Example 2: An LEA Makes an Expenditure in the Ongoing and Major Maintenance Account.**

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	8150	0	0000	8100	4300	000
Cr	01	8150	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 8150 is Ongoing and Major Maintenance Account.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is generally not required for revenues or balance sheet transactions.
- Function 8100 is Plant Maintenance and Operations.
- Object 4300 is Materials and Supplies.
- School is not required.

### **Example 3: An LEA Makes a Transfer of Ongoing and Major Maintenance Account Funds to the Deferred Maintenance Fund.**

Annual deposits to the OMMA (Resource 8150) in excess of 2½ percent may count toward the required contribution to the Deferred Maintenance Fund (*Education Code* Section 17070.75 [b][2]).

- (a) The LEA transfers the funds from the General Fund to the Deferred Maintenance Fund.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	8150	0	0000	9300	7615	000
Cr	01	8150	0	0000	0000	9110	000
Dr	14	6205	0	0000	0000	9110	000
Cr	14	6205	0	0000	0000	8915	000

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## Procedure 650      Facility Maintenance Programs—Coding Examples

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- Fund 01 is the General Fund, and Fund 14 is the Deferred Maintenance Fund.
  - Resource 8150 is Ongoing and Major Maintenance Account, and Resource 6205 is Deferred Maintenance Apportionment.
  - Project Year is not applicable in this example.
  - Goal 0000 is Undistributed. Goal is generally not required for revenues or balance sheet transactions.
  - Function 9300 is Interfund Transfers. Function is not required for revenue or balance sheet transactions.
  - Object 7615 is From General, Special Reserve, and Building Funds to Deferred Maintenance Fund; Object 9110 is Cash in County Treasury; and Object 8915 is To Deferred Maintenance Fund from General, Special Reserve, and Building Funds.
  - School is not required.
- (b) Alternatively, for tracking purposes, the LEA may post the transfer of funds in a two-step process, beginning with the transfer of funds to Fund 14 in Resource 8150. Then, once the money is in the Deferred Maintenance Fund, the LEA will post a contribution to Resource 6205, Deferred Maintenance Apportionment.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	8150	0	0000	9300	7615	000
Cr	01	8150	0	0000	0000	9110	000
Dr	14	8150	0	0000	0000	9110	000
Cr	14	8150	0	0000	0000	8915	000

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	14	8150	0	0000	0000	8990	000
Cr	14	8150	0	0000	0000	9110	000
Dr	14	6205	0	0000	0000	9110	000
Cr	14	6205	0	0000	0000	8990	000

- Fund 01 is the General Fund, and Fund 14 is the Deferred Maintenance Fund.
- Resource 8150 is Ongoing and Major Maintenance Account, and Resource 6205 is Deferred Maintenance Apportionment.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is generally not required for revenues or balance sheet transactions.
- Function 9300 is Interfund Transfers. Function is not required for revenues or balance sheet transactions.

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## Procedure 650      Facility Maintenance Programs—Coding Examples

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- Object 7615 is From General, Special Reserve, and Building Funds to Deferred Maintenance Fund; Object 9110 is Cash in County Treasury; Object 8915 is To Deferred Maintenance Fund from General, Special Reserve, and Building Funds; and Object 8990 is Contributions from Restricted Revenues.
- School is not required.

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**W**hen an employee separates from service (e.g., retires or terminates), the LEA may incur costs associated with the separation in addition to the employee's regular salary and benefits for the final pay period. These additional separation costs can be categorized as "normal" and "abnormal or mass." While most separation costs can be charged to the same goal and function as the employee's regular salary, special treatment may be required for the resource and object.

### **Normal Separation Costs**

Normal separation costs include items such as pay for accumulated unused leave or routine severance pay authorized by governing board policy. These normal separation costs are charged to the same goal, function, and object as the employee's regular salary. However, special consideration must be given to the resource.

Federal guidelines prohibit charging normal separation costs directly to a federal program; rather, an unrestricted resource (0000–1999) must be used. State programs may have similar restrictions. Federal guidelines and California's indirect cost plan allow for these normal separation costs that would have been charged to a restricted resource to be included in the LEA's indirect cost pool. LEAs that choose to do this will manually identify and enter the costs during calculation of the indirect cost rate (see Procedure 915, Indirect Cost Rate).

#### **Example 1: Normal Separation Costs for Employees Funded from an Unrestricted Resource**

A general education teacher leaves the district. In addition to receiving regular pay for the final pay period, the teacher also receives payment for accumulated unused leave. Since the teacher's position was funded from an unrestricted resource, both the regular salary for the final pay period and the payment for accumulated unused leave can be charged to the same resource, goal, function, and object as the teacher's regular salary:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	1110	1000	1100	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.

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## Procedure 655    Employee Separation Costs—Coding Examples

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- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, K–12.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

### Example 2: Normal Separation Costs for an Employee Funded from a Federal Resource

An instructional aide retires from a federal Title I position. The amounts paid to the aide at separation include regular salary for the final pay period, plus normal separation costs for accumulated unused leave. Since federal guidelines prohibit charging separation costs directly to the program, the regular salary for the final pay period can be charged to the same resource, goal, function, and object as the aide's regular salary, but the separation costs must be charged to an unrestricted resource:

#### Regular Salary Costs:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	3010	0	1110	1000	2100	000

#### Normal Separation Costs:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	1110	1000	2100	000

- Fund 01 is the General Fund.
- Resource 3010 is NCLB, Title I, Part A; Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, K–12.
- Function 1000 is Instruction.
- Object 2100 is Instructional Aides' Salaries.
- School is not required.

Because the separation costs were charged to an unrestricted resource rather than to the employee's regular restricted resource, the LEA will have the option during the indirect cost rate calculation to manually include the costs in the indirect cost pool.



**Example 3: Leave Is Used Before Separation Occurs**

An employee working in a federal program retires on June 30, and uses up his accumulated leave time during the period(s) leading up to retirement.

In this example, special coding is not required. The leave is charged to the same resource, goal, function, and object as the employee's regular salary. This is because federal guidelines provide that costs of leave taken during authorized absences from the job are allowable to the extent the leave is reasonable and required by law, and is consistent with employer–employee agreement or established policy of the LEA (refer to Office of Management and Budget [OMB] Circular A-87 Section 8[d][1]).

**Abnormal or Mass Separation Costs**

Costs resulting from actions taken by an LEA to influence employees to terminate their employment earlier than they normally would have are considered abnormal or mass separation costs. The most common examples of these costs include early retirement incentives offered in the form of additional pay or added benefits (e.g., a Golden Handshake) and severance packages negotiated to effect termination.

Abnormal or mass separation costs may not be charged to a federal program either as a direct or indirect cost. State programs may have similar restrictions. These costs may be charged to the same goal and function, and possibly the same object, as the employee's regular salary, but they must be charged to an unrestricted resource (0000–1999).

Because abnormal or mass separation costs may not be charged to a federal program either directly or indirectly, in addition to using an unrestricted resource, LEAs must also ensure that the costs are excluded from the indirect cost pool. Where there are abnormal or mass separation costs relating to employees charged to indirect activities (Function 7200, Other General Administration, and Function 7700, Centralized Data Processing), LEAs must manually identify and exclude them during calculation of the indirect cost rate (see Procedure 915, Indirect Cost Rate).

**Example 1: Teachers Receive Enhanced Pension Benefits in Exchange for Early Retirement**

Teachers are offered 2 extra years of retirement service credit in exchange for early retirement (e.g., a Golden Handshake) and a teacher working in a

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## Procedure 655    Employee Separation Costs—Coding Examples

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federal special education program accepts the offer. The benefit cost can be charged to the employee's regular goal and function, along with an object for Golden Handshake, but because it is a federal program the resource must be unrestricted (0000–1999):

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	5770	1110	3901	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 5770 is Special Education, Ages 5–22, Nonseverely Disabled.
- Function 1110 is Special Education: Separate Classes.
- Object 3901 is Other Benefits, Certificated Positions.
- School is not required.

### Example 2: Downsizing of Fiscal Services Staff Effects an Early Separation

An LEA is considering downsizing its fiscal services staff. Employees in the accounting office are offered a 2-month salary severance package in exchange for voluntary termination of employment, and one accepts the offer. Since this position is already being coded to an unrestricted resource, the costs of the 2-month salary severance package can be charged to the employee's regular resource, goal, function, and object:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	0000	7200	2400	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 2400 is Clerical, Technical, and Office Staff Salaries.
- School is not required.

However, because abnormal separation costs may not be included in the indirect cost pool, and this employee's costs are charged to a function within the pool, the LEA must manually exclude these costs during

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## Procedure 655    Employee Separation Costs—Coding Examples

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calculation of the indirect cost rate (see Procedure 915, Indirect Cost Rate).

### **Example 3: A Federally Funded Teacher Accepts a Salary Bonus in Exchange for Early Retirement**

Teachers are offered a 2-month salary bonus in exchange for early retirement, and a teacher working in a federal Title III program accepts the offer. Because this salary bonus is an abnormal or mass separation cost, it cannot be charged to a federal program; rather, it must be coded to an unrestricted resource:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	4760	1000	1100	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 4760 is Bilingual.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

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**F**requently, local educational agencies (LEAs) have occasion to pass grant funds on to other LEAs. As examples, school districts and county offices of education often enter into subagreements with other LEAs to operate a program more effectively, or several LEAs may pool their resources to operate certain projects cooperatively (cooperative projects), or an LEA may simply pass funds to other LEAs (pass-through grants). There are three models commonly used to account for these transactions between LEAs: cash conduits, pass-through grants, and subagreements for services.

### **Cash Conduit Model**

Governmental Accounting Standard Board (GASB) Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, generally requires the original recipient LEA to report pass-through grants in a governmental fund. However, when the recipient LEA acts only as a cash conduit that transfers money to the subrecipient grantee and has no administrative or direct financial involvement in the program, the recipient LEA should report the grant in an agency fund. Unlike governmental funds, agency funds are custodial, where only the assets held for other agencies and the corresponding amounts due to those agencies are reported. Revenues and expenditures are not recorded in an agency fund. As a practical matter, it is rare for a grant to qualify as a pure cash conduit.

### **Pass-Through Grants and Subagreements for Services Models**

For recipient LEAs that have either administrative or direct financial involvement in a pass-through grant, the pass-through transactions must be recorded in a governmental fund. The model used to account for the pass-through transactions depends on whether the recipient LEA has (1) only administrative involvement; or (2) both administrative and financial involvement. Generally, an LEA with only administrative involvement will use the pass-through grant model. An LEA with both administrative and direct financial involvement will use the subagreement for services model.

- 1. Administrative Involvement Only: Pass-through Grant Model**  
A recipient LEA has only administrative involvement in a pass-through grant if it (a) monitors subrecipient LEAs for compliance with requirements; (b) determines eligibility of subrecipient LEAs, even if using grantor-established criteria; or (c) has the ability to

exercise discretion in how the funds are allocated. The accounting for this type of pass-through grant is as follows:

**Recipient LEA (administrative involvement only)**

The recipient LEA reports the receipt of the grant revenue as a pass-through revenue using object 8287, 8587, or 8697 with the resource code for the grant. The recipient LEA reports the pass-through of funds to the subrecipient LEA as an interagency transfer using object 7211, 7212, or 7213 with Goal 0000, Undistributed, and Function 9200, Transfers Between Agencies.

**Subrecipient LEAs**

Subrecipient LEAs report receipt of the grant revenues in the normal revenue object for the grant (e.g., 8290, All Other Federal Revenue) with the resource code for the grant. Subrecipient LEAs report their grant expenditures in the resource for the grant with the normal goals, functions, and objects.

**Exception for Special Education and ROC/P**

Pass-throughs of state apportionments for special education and ROC/P are accounted for as "transfers of apportionment" rather than as pass-through grants. For example, a district participating in an ROC/P Joint Power Authority or Agreement (JPA) would recognize its ROC/P apportionment as other state apportionments (Resource 6350 and Object 8311) and would record the pass-through of funds to the JPA as a transfer of apportionment (Resource 6350, Function 9200, and Object 7223).

**2. Administrative and Direct Financial Involvement:**

**Subagreement for Services Model**

A recipient LEA has direct financial involvement in a pass-through grant if it is liable for disallowed costs or if it funds part of the costs. By having financial involvement in a pass-through grant, a recipient LEA automatically has administrative involvement as well. These types of pass-through grants are commonly referred to as "subagreements for services" between LEAs, that is, transactions in which the recipient LEA to whom the funding was originally awarded contracts with subrecipient LEAs to carry out the terms of the grant under the direction of the recipient LEA. The accounting for this type of pass-through grant is as follows:

**Recipient LEA (administrative and direct financial involvement)**

The recipient LEA reports the receipt of the grant revenue in the normal revenue object for the grant (e.g., 8290, Other Federal Revenue) with the resource code for the grant. The recipient LEA reports the disbursement of funds to subrecipient LEAs in Object 5100, Subagreements for Services, in the normal goals and functions for the grant expenditures.

**Subrecipient LEAs**

Subrecipient LEAs report the receipt of subagreement revenues in Object 8677, Interagency Services Between LEAs (or in Object 8285, Interagency Contracts Between LEAs, if the original grant is of federal origin) and in an applicable resource. Subrecipient LEAs report their subagreement expenditures in Goal 7110, Nonagency—Educational, in the normal functions and objects.

**Cooperative Projects**

California school districts and county offices of education often pool their resources and operate certain federal and state projects cooperatively for economic efficiency.

Some cooperative projects are formed to meet certain objectives established by the participants. This approach usually calls for the participants to pool their resources and for one school district or county office to serve as the lead and operate the project for the others. Typically this is a local decision, not a condition of the grant itself, and the appropriate accounting is the "subagreement for services" model.

Other cooperative projects are formed in order to meet specific federal grant or entitlement conditions and requirements. This approach usually requires that one LEA serve as the applicant for purposes of receiving federal funds and disbursing them to the other participating LEAs that operate their own projects. Periodic cash advances may be made directly to the applicant LEA for deposit and disbursement. The appropriate accounting for this type of cooperative project is the "pass-through" model.

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## Procedure 750      Pass-Through Grants and Cooperative Projects

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### Summary Examples of Pass-Through Transactions

#### I.      Transfer of Apportionment (Special Education and ROC/P only)

<u>Original Recipient</u>	<u>Subrecipient</u>
<u>Receipt of ROC/P apportionment</u> 01-6350-0-0001-0000-8311	
<u>Transfer of ROC/P apportionment</u> 01-6350-0-0001-9200-7221, 2, 3	<u>Receipt of transfer of ROC/P apportionment</u> 01-6350-0-0000-0000-8791, 2, 3
	<u>Expenditure of ROC/P funds</u> 01-6350-0-6000-XXXX-XXXX

#### II.      Pass-Through of All Other Resources (Federal, State, or Local)

<u>Original Recipient</u>	<u>Subrecipient</u>
<u>Receipt of federal revenue to be passed through</u> 01-3310-0-5001-0000-8287	
<u>Pass-through of federal revenue</u> 01-3310-0-5001-9200-7211, 2, 3	<u>Receipt of passed-through federal revenue</u> 01-3310-0-5001-0000-8181
	<u>Expenditure of federal program funds</u> 01-3310-0-5XXX-XXXX-XXXX
<u>Receipt of state revenue to be passed through</u> 01-7110-0-0000-0000-8587	
<u>Pass-through of state revenue</u> 01-7110-0-0000-9200-7211, 2, 3	<u>Receipt of passed-through state revenue</u> 01-7110-0-0000-0000-8590
	<u>Expenditure of state program funds</u> 01-7110-0-XXXX-XXXX-XXXX
<u>Receipt of local revenue to be passed through</u> 01-9010-0-0000-0000-8697	
<u>Pass-through of local revenue</u> 01-9010-0-0000-9200-7211, 2, 3	<u>Receipt of passed-through local revenue</u> 01-9010-0-0000-0000-8699
	<u>Expenditure of local program funds</u> 01-9010-0-XXXX-XXXX-XXXX

#### III.      Subagreements for Services

<u>Original Recipient</u>	<u>Subrecipient</u>
<u>Receipt of grant revenue</u> 01-6500-0-5001-0000-8311	
<u>Payment to subrecipient for subagreement services</u> 01-6500-0-5750-1110-5100	<u>Receipt of payment for subagreement services</u> 01-9010-0-7110-0000-8677 (or 8285 if federal)
	<u>Expenditures for subagreement services</u> 01-9010-0-7110-1110-XXXX



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## Procedure 750    Pass-Through Grants and Cooperative Projects

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### Sample Journal Entries for a Cooperative Project

Small school districts may find it advantageous to pool their resources to provide programs that could not be financed by one district alone. The following example assumes that five small districts contract with the county office of education (COE) to use Tobacco-Use Prevention Education (TUPE) money to run a program designed to reach students at risk of using tobacco.

**Example: COE Receives TUPE Grant Money for Administrative Purposes, and Districts Receive TUPE Money for Program Purposes; Districts and the COE Form a Cooperative Project for TUPE Services**

(a)    The following entries record the receipt of the TUPE grants:

For the COE:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6680	0	0000	0000	8590	000

- Fund 01 is the County School Service Fund.
- Resource 6680 is TUPE: COE Administration Grants.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8590 is All Other State Revenue.
- School is not required.

For the districts:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6660	0	0000	0000	8590	000
01	6670	0	0000	0000	8590	000

- Fund 01 is the General Fund.
- Resource 6660 is TUPE: Elementary Grades 4–8, and Resource 6670 is TUPE: High School Competitive Grants.
- Project Year is not applicable in this example.
- Goal is not required for revenues.
- Function is not required for revenues.
- Object 8590 is All Other State Revenue.
- School is not required.

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## Procedure 750      Pass-Through Grants and Cooperative Projects

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- (b) According to the contractual agreement, the districts use their TUPE program funds to pay the COE to operate a Friday Night Live program designed for regular education students.

The COE records the revenue received from the districts in a locally defined restricted local resource:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	9150	0	0000	0000	8677	000

- Fund 01 is the County School Service Fund.
- Resource 9150 is a locally defined restricted code for the Friday Night Live contract. Resource 9150 rolls up to Resource 9010, Other Local, when data are submitted to CDE at year-end.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8677 is Interagency Services Between LEAs.
- School is not required.

The districts, as the original recipient LEAs, are responsible for reporting their expenditures to CDE; they use the applicable goal and functions, and the object illustrates that they subcontracted with the COE:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6660	0	1110	4000	5100	000
01	6670	0	1110	4000	5100	000

- Fund 01 is the district's General Fund.
- Resource 6660 is TUPE: Elementary Grades 4–8, and Resource 6670 is TUPE: High School Competitive Grants.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, K–12 because the Friday Night Live program targets regular education students.
- Function 4000 is Ancillary Services.
- Object 5100 is Subagreements for Services.
- School is not required.

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## Procedure 750    Pass-Through Grants and Cooperative Projects

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- (c)    The COE operates the Friday Night Live program using the funds received from the districts:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	9150	0	7110	4000	1200	000

- Fund 01 is the County School Service Fund.
- Resource 9150 is a locally defined restricted code for the Friday Night Live contract. Resource 9150 rolls up to Resource 9010, Other Local, when data are submitted to CDE at year-end.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency—Educational. The money of another entity is used to provide services on behalf of that entity, not on behalf of its own student population.
- Function 4000 is Ancillary Services.
- Object 1200 is Certificated Pupil Support Salaries.
- School is not required.

The districts have no further entries because they have spent their grants.

When the COE spends its own TUPE money administering the districts' TUPE programs, the TUPE resource is retained.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6680	0	8600	2100	2400	000

- Fund 01 is the County School Service Fund.
- Resource 6680 is TUPE: COE Administrative Grants.
- Project Year is not applicable in this example.
- Goal 8600 is County Service to Districts.
- Function 2100 is Instructional Supervision and Administration.
- Object 2400 is Clerical, Technical, and Office Staff Salaries.
- School is not required.

- (d)    At year-end, not all funds have been spent, and the remaining funds are carried over into the next year. The terms of the contract with the districts allow carryover only into the following year; money not spent in the following year must be returned to the districts.

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## Procedure 750      Pass-Through Grants and Cooperative Projects

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The COE books deferred revenue as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	9150	0	0000	0000	9650	000

- Fund 01 is the County School Service Fund.
- Resource 9150 is a locally defined restricted code for the Friday Night Live contract. Resource 9150 rolls up to Resource 9010, Other Local, when data are submitted to CDE at year-end.
- Project Year is not applicable in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9650 is Deferred Revenue.
- School is not required.

**S**pecial education budgets are complex and are of great interest to the public, both locally and statewide. Federal and state legislation during 1998 changed the way in which special education programs are funded and reported.

As of 1998, *Education Code* Section 56205(b)(1) requires that a special education budget shall separately identify the following elements:

1. Apportionment received by the local educational agency (LEA) in accordance with the allocation plan adopted by the special education local plan area (SELPA) (The state funding is tracked in SACS in the resource field in combination with a specific revenue code in the object field.)
2. Administrative costs of the plan (These costs are tracked in the function field.)
3. Costs of special education services to pupils with severe disabilities and low-incidence disabilities (This population is identified by the goal field.)
4. Costs of special education services to pupils with nonsevere disabilities (This population is identified by the goal field.)
5. Costs of supplemental aids and services provided to meet the individual needs of pupils placed in regular education classrooms and environments (Costs of these aids and services, which may be provided to both severe and nonsevere students, are tracked in the function field.)
6. Regionalized operations and services and direct instructional support by program specialists in accordance with Article 6, *Program Specialists and Administration of Regionalized Operations and Services* (These costs are tracked in the goal field for regionalized operations and in the function field for instructional services.)
7. Use of property taxes allocated to the SELPA pursuant to *Education Code* Section 2572 (Property taxes allocated to the SELPA are tracked in the resource field and identified by a specific revenue code in the object field.)

## **Maintenance of Effort**

Funds provided under Part B of the federal Individuals with Disabilities Education Act (IDEA) are subject to a maintenance of effort (MOE) requirement. This is stipulated in Section 1413 of Title 20 of the *United States Code*, Section 300.231 of Part 34 of the *Code of Federal Regulations*, and *Education Code* Section 56205.

The MOE requirement is that Part B IDEA funds shall not be used, except in specified situations, to reduce the level of expenditures for the education of children with disabilities made by the LEA from state and local funds or from local funds only, below the prior year's level. This test must be met on either an aggregate or a per capita basis.

The California Department of Education (CDE) monitors compliance with the MOE requirement at the SELPA level. The administrative unit (AU) of a multi-LEA SELPA monitors compliance of its member LEAs.

## **Recording Special Education Transactions**

For state reporting, direct costs will be reported as the costs of providing services to infants, preschool-age students, severely disabled students from ages five through twenty-two, and nonseverely disabled students from ages five through twenty-two. This classification is done through the goal field. The costs are further broken down by the type of instructional service provided: separate classes, resource specialist instruction, supplemental aids and services to students in regular classrooms, services of nonpublic agencies or schools, and other specialized instructional services. This classification is done through the function field.

Shown below are discussions of how certain special education transactions are accounted for. Later in this section, examples of transactions are given to illustrate the accounting entries.

1. Salaries of certificated employees providing other specialized instructional services are recorded in Function 1190, Special Education: Other Specialized Instructional Services, with Object 1100, Teachers' Salaries.
2. Salaries of instructional aides are recorded in the special education instructional functions 1100–1199, except 1180, with Object 2100, Instructional Aides' Salaries. If a classified employee provides other support services, that cost should be coded to a support function with Object 2200, Classified Support Salaries.
3. Administrative costs of the SELPA administrative unit (AU) are recorded in Function 2200, Administrative Unit of Multidistrict SELPA. A school district or county superintendent of schools may be the Administrative Unit (AU) of a SELPA.

4. Salaries of a program specialist providing regionalized services as defined by *Education Code* Section 56836.23 are recorded in Goal 5060, Regionalized Program Specialist, with Function 2100, Instructional Supervision and Administration, and Object 1900, Other Certificated Salaries.

Salaries of a program specialist not providing regionalized services but instead working locally with students as a support to teachers are recorded in Function 2100, Instructional Supervision and Administration, with the appropriate special education goal, and Object 1900, Other Certificated Salaries.

5. Apportionments for regionalized operations and services and the direct instructional support of program specialists are made directly to the SELPA administrative unit (AU) (*Education Code* Section 56836.23). These apportionments are recorded by the AU using Object 8311, Other State Apportionments, Current Year (or Object 8319, Other State Apportionments, Prior Year).

The AU, by agreement, may transfer these apportionments to a participating agency. It can do the transfer in one of two ways: by transferring to the other LEA the responsibility for providing regionalized services or by contracting with the other LEA to provide the services while retaining the responsibility for providing the services.

An AU transferring to another LEA the responsibility for providing regionalized services records the transfer as a transfer of apportionments using Function 9200, Transfers Between Agencies, and the transfers of apportionments objects, such as Object 7221, Transfers of Apportionments to Districts or Charter Schools; Object 7222, Transfers of Apportionments to County Offices; or Object 7223, Transfers of Apportionments to JPAs.

The LEA receiving the apportionment under this arrangement records the revenues in Resource 6500, Special Education, in the appropriate special education goals, with a transfers of apportionments object, such as Object 8791, Transfers of Apportionments from Districts or Charter Schools; or Object 8792, Transfers of Apportionments from County Offices. The expenditures are recorded in the same goals as the revenues, in Function 2100, Instructional Supervision and Administration, and in the appropriate object (e.g., Object 1300, Certificated Supervisors' and Administrators' Salaries).

An AU contracting with another LEA to provide regionalized services while retaining the responsibility for providing the services records the payments to the other LEA as payments for contracted services. The AU records these payments in Object 5100, Subagreements for Services, still in Resource 6500 with a special education goal (e.g., Goal 5xxx), and an appropriate expenditure function.

The LEA providing the services under the contract does not record the revenues and expenditures in the special education resource or a special education goal but in Resource 9010, Other Local (or a locally defined resource), and Goal 7110, Nonagency—Educational (use of this goal in this revenue transaction is optional; otherwise, use Goal 0000), with Object 8677, Interagency Services Between LEAs. It records expenditures in Goal 7110, Nonagency—Educational (whether or not Goal 7110 was used for the revenue), Function 2100, Instructional Supervision and Administration, and the appropriate objects for salaries, benefits, and supplies.

See Example 8 and Example 9 later in this procedure for the complete entries for these types of transactions.

6. Apportionments for other than regionalized services may be allocated to districts and county offices of education in accordance with the allocation plan adopted pursuant to *Education Code* Section 56836.05 unless the allocation plan specifies that funds will be apportioned to the AU of the SELPA (*Education Code* Section 56195.7).

*Method 1—Special Education Apportionment Allocated to the Administrative Unit (AU):*

If the SELPA has elected for the apportionments to be made to the AU, the AU records the receipt of apportionment and the transfer of funds to the members basically in the same manner as recording the transfer of apportionments for program specialists and regionalized services, where the AU also transfers to the participating LEA the responsibility for providing regionalized services, as discussed in item 5.



By the same token, the participating LEA records the receipt of these moneys from the AU and the expenditures basically in the same manner as discussed in that part of item 5.

*Method 2—Special Education Apportionment Allocated to Districts and County Superintendents of Schools*

If the SELPA has opted for special education apportionments (other than for regionalized services) to be made directly to the participating agencies, each district or county office records the apportionment as Resource 6500, Special Education, an appropriate special education goal, such as Goal 5001, Special Education—Unspecified, and Object 8311, Other State Apportionments—Current Year.

7. A district, county office, or JPA billing for and receiving payment for special education excess costs or deficits, or payments for special education transportation excess costs or deficits, records the revenue received as Object 8710, Tuition, with the appropriate special education resource and an appropriate special education goal.

The LEA paying the excess costs or deficits records the payment with an appropriate resource, a special education goal, Function 9200, Transfers Between Agencies, and Object 7141, Other Tuition, Excess Costs, and/or Deficit Payments to School Districts or Charter Schools; Object 7142, Other Tuition, Excess Costs, and/or Deficit Payments to County Offices; or Object 7143, Other Tuition, Excess Costs, and/or Deficit Payments to JPAs.

8. A district or county office receiving the federal Individuals with Disabilities Education Act (IDEA) basic local assistance revenue records the revenue in Resource 3310, IDEA Basic Local Assistance Entitlement, Part B, with a special education goal, in Object 8181, Special Education—Entitlement, and records the expenditures in Resource 3310, with the appropriate special education goals, functions, and objects.
9. A district or county office that receives a federal IDEA grant-in-aid for approved special projects records the revenue as Object 8182, Special Education—Discretionary Grants, with the appropriate resource and the appropriate special education goal.

10. Any AU receiving federal IDEA money of either the local assistance entitlement or a discretionary grant that is to be distributed to a district or county office records the revenue to be passed to participating LEAs as Object 8287, Pass-Through Revenues from Federal Sources, with the appropriate resource and Goal 5001, Special Education—Unspecified.

The AU distributes these funds, using the appropriate resource, the appropriate special education goal, Function 9200, Transfers Between Agencies, and Object 7211, Transfers of Pass-Through Revenues to Districts or Charter Schools; Object 7212, Transfers of Pass-Through Revenues to County Offices; or Object 7213, Transfers of Pass-Through Revenues to JPAs.

The following are examples of recording revenues received and expenditures incurred to educate special education students. The illustration of which codes to use for these transactions has been simplified. Only one side of the accounting entry is shown; in actual entries, the debit(s) must equal the credit(s).

### Sample Journal Entries

#### Example 1: Splitting an Employee's Costs Between Functions

A teaching assistant is hired to work half a day in a separate class for severely disabled children and half a day in assisting a severely disabled student who has been mainstreamed in a regular education class.

Because the teaching assistant is working solely with severely disabled students, his salary has one goal. However, his work is split between two functions.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	1110	2100	000
01	6500	0	5750	1130	2100	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not required in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 1110, Special Education: Separate Classes, captures the costs of running a separate class for severely disabled students; and Function 1130, Special Education: Supplemental Aids and

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Services in Regular Classrooms, captures the costs of providing a teaching assistant for a student who attends a regular education class.

- Object 2100 is Instructional Aides' Salaries.
- School is not required.

### Example 2: Splitting an Employee's Salary Between Goals

An adaptive physical education teacher is hired to provide physical education classes for special education students attending regular education classes on several campuses and for students attending special education separate classes. Some of the students are categorized as severely disabled, others as nonseverely disabled. The teacher's salary is split between two goals because two populations of students are served. (*Note: The salary may also be coded to a single goal, Goal 5001, and subsequently divided on the basis of the documented hours spent with each population.*)

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	1190	1100	000
01	6500	0	5770	1190	1100	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not required in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled, and Goal 5770 is Special Education, Ages 5–22 Nonseverely Disabled. (The salary may be coded instead to one goal during the year and split between the goals at year-end when the ratio of service to severely and nonseverely disabled students is documented.)
- Function 1190 is Special Education: Other Specialized Instructional Services. This function includes pullout services that may be provided to students who are normally found in separate classes or regular education classes.
- Object 1100 is Teachers' Salaries.
- School is not required.

**Example 3: Costs for Special Education Students in Regular Education Classrooms**

A student who has a low-incidence disability has been placed in a juvenile court school. His individualized education program (IEP) necessitates the presence of an interpreter and the services of a resource specialist. The following services are being provided by different resources and for different populations. The cost of the teacher in the juvenile court school is chargeable to regular education; the costs of the interpreter and the resource specialist are chargeable to special education.

The cost of the juvenile court school teacher is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	2400	0	3600	1000	1100	000

- Fund 01 is the County School Service Fund.
- Resource 2400 is Juvenile Court/County Community Schools. This resource is for the state apportionment for these schools. The funds are used to pay for the juvenile court teacher.
- Project Year is not required in this example.
- Goal 3600, Juvenile Courts, identifies the costs of educating juvenile court school students.
- Function 1000 is Instruction. General education teachers are coded to the general population they are contracted to teach. A special education student who attends a regular education class is considered a part of the general education class.
- Object 1100 is Teachers' Salaries.
- School is not required.

The cost of the interpreter assigned to the student who has an IEP and has been placed in the juvenile court classroom is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	1130	2100	000

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled. (Students with a low-incidence disability are classified as severely disabled. The LEA may have locally defined goals to

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separate low-incidence disabilities from other severe disabilities if management needs to identify these costs locally.)

- Function 1130 is Special Education: Supplemental Aids and Services in Regular Classrooms.
- Object 2100 is Instructional Aides' Salaries. (The LEA may have locally defined objects if it is important to track the costs of interpreters separately from those of classroom assistants.)
- School is not required.

The cost of the resource specialist who works with this student on a pullout basis is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	1120	1100	000

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled. (Students with a low-incidence disability are classified as severely disabled students. The LEA may have locally defined goals to separate these two types of severe conditions if the information is important locally.)
- Function 1120 is Special Education: Resource Specialist Instruction. This is a resource specialist who works directly with the students in an instructional setting.
- Object 1100 is Teachers' Salaries.
- School is not required.

### **Example 4: Costs for Special Education Students in a Regional Occupational Center/Program (ROC/P)**

Some special education students are in transition, going from the special education K–12 program into the adult workforce. The students have been placed in an ROC/P class, where they receive training at a fast-food business supplemented with ROC/P classes. The cost of the ROC/P instructor is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6360	0	6000	1000	1100	000

- Fund 01 is the school district's General Fund.

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- Resource 6360 is Pupils with Disabilities Attending ROC/P.
- Project Year is not applicable in this example.
- Goal 6000 is Regional Occupational Center/Program.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

The cost of a teaching assistant assigned to the special education students to enable them to participate in the ROC/P class is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5770	1130	2100	000

- Fund 01 is the school district's General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5770 is Special Education, Ages 5–22 Nonseverely Disabled.
- Function 1130 is Special Education: Supplemental Aids and Services in Regular Classrooms.
- Object 2100 is Instructional Aides' Salaries.
- School is not required.

### Example 5: Costs of Instruction Provided on a Pullout Basis

An orientation and mobility (O & M) specialist is hired to teach students how to travel safely and independently around the school and in the community. He or she works with blind students who attend regular classes at the elementary and high schools. This service is provided on a pullout basis. The O & M specialist has a teaching credential and is trained to teach special education students.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	1190	1100	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled, which includes students with a low-incidence disability.

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- Function 1190 is Special Education: Other Specialized Instructional Services. This function includes pullout services that may be provided to students who are normally found in separate classes or regular education classes.
- Object 1100 is Teachers' Salaries.
- School is not required.

### Example 6: Costs of Pupil Services

A counselor is hired to provide special education students with behavior management services, a systematic implementation of procedures designed to promote lasting, positive changes in the students' behavior, resulting in greater access to a variety of community settings, social contacts, and public events, and placement in the least restrictive environment. The counselor is a licensed professional with a certificate for school service. The salary is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	3110	1200	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 3110 is Guidance and Counseling Services.
- Object 1200 is Certificated Pupil Support Salaries.
- School is not required.

The students receiving this behavior modification training are enrolled in a separate class for severely emotionally disabled students or autistic students. This class is taught by a special education teacher who works with the counselor to apply the behavior modification procedures in the classroom. The cost of the teacher is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	1110	1100	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.

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- Function 1110 is Special Education: Separate Classes.
- Object 1100 is Teachers' Salaries.
- School is not required.

### Example 7: Costs Related to Federal Resources

- (a) Funds from the Individuals with Disabilities Education Act (IDEA) basic local assistance entitlement were used to pay a classified assistant to work with students who are in transition from K–12 special education into gainful employment in local businesses.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	3310	4	5750	1190	2100	000

- Fund 01 is the school district's General Fund.
- Resource 3310 is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611.
- Project Year refers to the report year for this program; 4 in this case stands for federal fiscal year 2003-04, which ended September 30, 2004.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 1190 is Special Education: Other Specialized Instructional Services. The student has been transferred from a regular or separate classroom to a work site or other setting.
- Object 2100 is Instructional Aides' Salaries.
- School is not required.

- (b) An LEA uses IDEA basic local assistance entitlement funds to purchase assistive technology for a student who will use the computer to communicate with teachers and peers in a regular education classroom.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	3310	4	5750	1130	6400	000

- Fund 01 is the General Fund.
- Resource 3310 is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611.
- Project Year refers to the report year for this program; 4 in this case is for federal fiscal year 2003-04, which ended September 30, 2004.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.



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- Function 1130 is Special Education: Supplemental Aids and Services in Regular Classrooms. The equipment is an aid to the student in a regular classroom.
- Object 6400 is Equipment.
- School is not required.

### **Example 8: A County Office, as the SELPA Administrative Unit (AU), Receives the Apportionment and Transfers It to Participating LEAs.**

- (a) As the SELPA AU, the county office records the receipt of the state apportionment.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5001	0000	8311	000

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- Function is not necessary for revenue.
- Object 8311 is Other State Apportionments—Current Year.
- School is not required.

- (b) The SELPA AU distributes the apportionment to the participating LEAs.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5001	9200	7221	000
01	6500	0	5001	9200	7222	000
01	6500	0	5001	9200	7223	000

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.
- Function 9200 is Transfers Between Agencies.
- Object 7221 is Transfers of Apportionments to Districts or Charter Schools; Object 7222 is Transfers of Apportionments to County Offices; and Object 7223 is Transfers of Apportionments to JPAs.
- School is not required.

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- (c)    The member LEA (in this case a school district) makes the following entry to record receipt of apportionment from the SELPA AU (in this case a county office):

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5001	0000	8792	000

- Fund 01 is the school district's General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified. A Special Education goal is required for Special Education revenue.
- Function is not required for revenue.
- Object 8792 is Transfers of Apportionments from County Offices. In this case, the AU is a county office of education.
- School is not required.

**Example 9: A County Office, as the AU, Receives the Apportionment for Regionalized Services and Then Contracts with a Participating District to Provide Regionalized Services.**

- (a)    The county office, as the SELPA AU, records payment on a contract with a district to provide regionalized services, in this case to coordinate curriculum development.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5001	2130	5100	000

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified. The AU may choose to use the optional Goal 5050, Regionalized Services.
- Function 2130 is Curriculum Development.
- Object 5100 is Subagreements for Services.
- School is not required.

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(b)    The district records the interagency revenue from the AU.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	9010	0	7110	0000	8677	000

- Fund 01 is the General Fund.
- Resource 9010 is Other Local, in this case a contract with another LEA.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency—Educational. (Use of this goal for a revenue transaction is optional; it will enable the LEA to match contract revenue with the contract expenditures.)
- Function is not required for revenue.
- Object 8677 is Interagency Services between LEAs.
- School is not required.

(c)    As part of this contract, the district pays a program specialist who provides regionalized services to members of the SELPA.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	9010	0	7110	2100	1900	000

- Fund 01 is the General Fund.
- Resource 9010 is Other Local.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency—Educational.
- Function 2100 is Instructional Supervision and Administration.
- Object 1900 is Other Certificated Salaries.
- School is not required.

**Example 10: A School District, a Member of a SELPA, Makes Payments to Another Entity for a Special Education Student's Education.**

(a)    The district makes payments to a State Special School.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	5001	9200	7130	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resource.

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- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.
- Function 9200 is Transfers Between Agencies.
- Object 7130 is State Special Schools.
- School is not required.

- (b) The district makes payments to a nonpublic school for a severely disabled student's education.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	1180	5100	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22, Severely Disabled.
- Function 1180 is Special Education: Nonpublic Agencies/Schools.
- Object 5100 is Subagreements for Services.
- School is not required.

- (c) A school district pays excess costs for a program run by the SELPA.

- (1) The SELPA AU bills the district for excess costs. The revenue is coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	0000	8710	000

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable for this example.
- Goal 5750 is Special Education, Ages 5–22, Severely Disabled.
- Function is not required for revenue or balance sheet accounts.
- Object 8710 is Tuition.
- School is not required.

- (2) The school district pays the SELPA AU its share of excess costs of the program per the local plan agreement.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5750	9200	7142	000

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- Fund 01 is the district's General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable for this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 9200 is Transfers Between Agencies.
- Object 7142 is Other Tuition, Excess Costs, and/or Deficit Payments to County Offices.
- School is not required.

### Example 11: Identifying Administrative Costs

- (a)    A multidistrict SELPA AU pays its director.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5001	2200	1300	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.
- Function 2200 is Administrative Unit of a Multidistrict SELPA.
- Object 1300 is Certificated Supervisors' and Administrators' Salaries.
- School is not required.

- (b)    A district charges its special education programs its indirect cost rate as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6500	0	5001	7210	7310	000

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.
- Function 7210 is General Administration Cost Transfers.
- Object 7310 is Transfers of Indirect Costs.
- School is not required.

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## Procedure 760      Regional Occupational Centers/Programs (ROC/Ps)

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**T**he ROC/P program is different from regular instructional programs in that *Education Code* Section 52301 allows two or more school districts to form a joint powers agency (JPA) to provide ROC/P vocational training.

The California Department of Education (CDE) apportions ROC/P funding to school districts and county offices of education on the basis of their ROC/P average daily attendance (ADA). The school districts and county offices of education may then provide ROC/P instruction themselves or contract for services or transfer the apportionment to JPAs to provide ROC/P instruction. School districts, county offices of education, and joint powers agencies have structured their ROC/P instruction in a variety of ways in California to meet local needs for ROC/P education.

The following examples of coding address the various forms of interagency agreements between LEAs:

**Example 1: Both a County Office of Education (COE) and School Districts Receive Funding Based on ROC/P ADA Reported to CDE.**

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6350	0	0000	0000	8311	000

- Fund 01 is the General Fund or the County School Service Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal is not required for revenue. Goal 6000, Regional Occupational Center/Program, may be used for local purposes.
- Function is not necessary for revenue.
- Object 8311 is Other State Apportionments—Current Year.
- School is not required.

**Example 2: A COE Contracts with a School District to Operate an Auto-Body Class for the County ROC/P Program.**

- (a) The COE makes the following entry to record payment of the contract for services. The COE retains full administrative and financial authority over the program.

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## Procedure 760    Regional Occupational Centers/Programs (ROC/Ps)

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<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6350	0	6150	1000	5100	000

- Fund 01 is the County School Service Fund.
  - Resource 6350 is ROC/P Apportionment.
  - Project Year is not applicable in this example.
  - Goal 6150 is a locally defined classification for trade and industry classes. LEAs have the option of tracking ROC/P subject matter in the goal field as long as it rolls up to Goal 6000 when data are submitted to CDE at year-end.
  - Function 1000 is Instruction.
  - Object 5100 is Subagreements for Services.
  - School is not required.
- (b) The school district makes the following entry to record receipt of funds to operate the shop class. The district is performing a contract service on behalf of the COE and does not report the ADA as its own.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	9635	0	0000	0000	8677	000

- Fund 01 is the district's General Fund.
  - Resource 9635 is a unique code the district is using for its ROC/P contract. This and other local restricted resources must roll up to Resource 9010, Other Local, when data are submitted to CDE.
  - Project Year is not applicable in this example.
  - Goal is not required for revenue.
  - Function is not required for revenue.
  - Object 8677 is Interagency Services Between LEAs.
  - School is not required.
- (c) The district expenditures for the shop class are coded as follows:

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	9635	0	7110	1000	1100	000

- Fund 01 is the district's General Fund.
- Resource 9635 is the district's code for the contract.
- Project Year is not applicable in this example.



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## Procedure 760      Regional Occupational Centers/Programs (ROC/Ps)

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- Goal 7110 is Nonagency—Educational. The district's expenditures are made on behalf of the COE, which retains the final responsibility for the ROC/P class.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

### **Example 3: Participating School Districts Transfer Their Apportionments to the Joint Powers Agency (JPA) Operating the ROC/P.**

Pursuant to *Education Code* Section 52301, school districts may form a JPA to operate ROC/Ps, and the *Education Code* section allows the JPA to receive the apportionments through the participating districts.

- (a)      The districts transfer their apportionment to the JPA.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6350	0	0000	9200	7223	000

- Fund 01 is the district's General Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal 6000, ROC/P, may be used for local identification.
- Function 9200 is Transfers Between Agencies.
- Object 7223 is Transfers of Apportionments to JPAs.
- School is not required.

- (b)      The JPA receives the transfer of apportionment.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6350	0	0000	0000	8791	000

- Fund 01 is the JPA's General Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8791 is Transfers of Apportionments from Districts or Charter Schools.
- School is not required.

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**Procedure 760      Regional Occupational Centers/Programs (ROC/Ps)**

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- (c)      The JPA operates various ROC/P classes. For example, the JPA operates an auto-body class and has designated a locally defined goal to track the class.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	6350	0	6150	1000	1100	000

- Fund 01 is the JPA's General Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal 6150 is the JPA's code for trade and industry classes. LEAs have the option of tracking ROC/P subject matter in the goal field as long as it rolls up to Goal 6000 when data are submitted to CDE at year-end.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

**T**he No Child Left Behind (NCLB) Act allows a local educational agency (LEA), upon approval by the California Department of Education (CDE), to consolidate funds from various NCLB programs for use in the administration of one or more NCLB programs (refer to *United States Code*, Title 20, Section 7823). LEAs may request permission to consolidate the funds in Part II of the Consolidated Application (for further information on the Consolidated Application, refer to CDE's Web site at <http://www.cde.ca.gov/fg/aa/co>).

### **Benefits of Consolidation**

Consolidation of funds will provide flexibility in charging administrative costs and result in simplified accounting and personnel activity timekeeping. LEAs that consolidate administrative costs will have considerable discretion in how those costs get distributed back to the individual NCLB programs, as discussed later. Further, the consolidated funds may be treated as one cost objective; as such, LEAs are not required to maintain separate records by individual program to account for costs relating to administration, nor maintain personnel activity reports to document the time spent for administrative activities performed exclusively for the programs. (*Note:* Semiannual certifications are still required. Refer to Procedure 905, Documenting Salaries and Wages.)

### **Allowable Expenditures**

For programs with no specified limits, the maximum amount available for administrative costs is what is reasonable and necessary for the proper and efficient administration of the programs, provided that the LEA budgets and expends at least 85 percent of the grant amounts at school sites for direct services to pupils.

When an LEA chooses to consolidate administrative funds in a particular fiscal year, it must pay all administrative costs from an administrative cost pool; no additional administrative cost may be charged directly to a participating program. (However, see treatment of indirect costs beginning on page 780-4.)

Consolidated funds may be used for the administration of any program included in the consolidation. The funds may be used at the school district and school levels for activities such as coordination of the NCLB programs with other federal and nonfederal programs, establishment and operation of peer-review mechanisms for NCLB, administration of Title

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## Procedure 780      Consolidation of NCLB Administrative Funds

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IX of the Elementary and Secondary Education Act (ESEA) (General Provisions), dissemination of information regarding model programs and practices, technical assistance for any NCLB program, and training personnel engaged in audit and other monitoring activities.

### Accounting for Consolidated Administrative Funds

Accounting for consolidated administrative funds is a three-step process. As costs are incurred, they are recorded in a pooled resource, and then the pooled costs are distributed to the various NCLB programs. Finally, using funds available for the consolidation, indirect costs are charged directly to the programs.

#### Incurring Costs

Expenditures for administration are initially recorded in Resource 3155, NCLB: Consolidated Administrative Funds, rather than in the resources of the individual participating programs. LEAs should charge administrative costs they incur for participating programs (except for indirect costs, as explained later) to Resource 3155 in combination with the optional Function 2150, Instructional Administration of Special Projects, or the more general Function 2100, Instructional Supervision and Administration:

<u>Object Title</u>	<u>SACS Account String</u>	<u>Debit</u>	<u>Credit</u>
Certificated Supervisors' and Administrators' Salaries	01-3155-0000-2150-1300	\$5,500	
Clerical, Technical, and Office Staff Salaries	01-3155-0000-2150-2400	\$8,900	
Health and Welfare Benefits, Certificated Positions	01-3155-0000-2150-3401	\$2,000	
Health and Welfare Benefits, Classified Positions	01-3155-0000-2150-3402	\$2,300	
Materials and Supplies	01-3155-0000-2150-4300	\$700	
Noncapitalized Equipment	01-3155-0000-2150-4400	\$3,000	
Cash in County Treasury	01-3155-0000-2150-9110		\$22,400
To record expenditures made from funds available in the NCLB consolidated administrative cost pool.			
(Note: After these entries, Resource 3155 has a negative cash balance of \$22,400.)			

#### Distributing Accumulated Costs

Because Section 1127 of the ESEA, as amended by the NCLB Act, requires that allowable program carryover be calculated based on total program expenditures, LEAs must distribute the pooled costs (Resource 3155 expenditures) to the programs participating in the consolidation before carryover can be calculated. LEAs may do this at the end of the year or at other intervals they deem appropriate. The costs are distributed

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## Procedure 780      Consolidation of NCLB Administrative Funds

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using Object 5710, Transfers of Direct Costs, and will result in zero net expenditures in Resource 3155 at the end of the year.

LEAs do not have to distribute pooled costs back to the individual programs on the basis of benefits received by each program or in the same ratio that each program contributed to the pool. Rather, LEAs may distribute the costs as they see fit provided that:

- The amount distributed to any program, when combined with the program's indirect costs, does not exceed 15 percent of total program expenditures or the program's maximum allowable administrative costs, whichever is less.
- The total grant amount is not exceeded after the distribution.

For the following example, assume that the LEA recorded expenditures in Resource 3155 with Function 2150, and it is now ready to distribute the expenditures to the following programs in the following amounts:

Title I, Part A (Resource 3010)	\$16,300
Title I, Part C (Resource 3060)	\$3,500
Title I, Part D (Resource 3025)	\$2,300
Title II, Part A (Resource 4035)	\$300
Total	\$22,400

The LEA records the distribution using Function 2150 in combination with Object 5710, Transfers of Direct Costs:

<u>Object Title</u>	<u>SACS Account String</u>	<u>Debit</u>	<u>Credit</u>
Transfers of Direct Costs	01-3010-0000-2150-5710	\$16,300	
	01-3060-0000-2150-5710	\$3,500	
	01-3025-0000-2150-5710	\$2,300	
	01-4035-0000-2150-5710	\$300	
	01-3155-0000-2150-5710		\$22,400
Cash in County Treasury	01-3155-0000-0000-9110	\$22,400	
	01-3010-0000-0000-9110		\$16,300
	01-3060-0000-0000-9110		\$3,500
	01-3025-0000-0000-9110		\$2,300
	01-4035-0000-0000-9110		\$300
To distribute costs recorded in Resource 3155 to the various NCLB programs.			
<i>(Note: After the distribution, Resource 3155 has zero net expenditures and zero cash balance, but the details of the accumulated costs and distribution are retained.)</i>			

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## Procedure 780      Consolidation of NCLB Administrative Funds

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### Indirect Costs

Indirect costs are considered administrative costs for purposes of consolidating administrative funds. However, to simplify the necessary accounting entries CDE recommends that, rather than using Resource 3155, LEAs charge indirect costs pertaining to the individual programs directly to those programs after the LEA has distributed all pooled administrative costs.

The process is as follows:

1. At the end of the year, distribute all remaining Resource 3155 costs to the participating programs.
2. Compute indirect costs that may be charged to the programs. Depending on program guidelines, this is usually done by multiplying the direct costs of the program (objects 1000–5999, less object 5100) times the LEA’s approved indirect cost rate.
3. Charge up to the computed indirect cost amounts to the individual programs, making sure to take into account any indirect or administrative cost caps the programs may have.

As shown in the following example, the indirect costs are charged to the programs using Function 7210, General Administration Cost Transfers, and Object 7310, Transfers of Indirect Costs. The corresponding transfer of cash between resources is done at the same time.

<u>Object Title</u>	<u>SACS Account String</u>	<u>Debit</u>	<u>Credit</u>
Transfers of Indirect Costs	01-3010-0000-7210-7310	\$ 5,100	
	01-3060-0000-7210-7310	\$ 2,050	
	01-3025-0000-7210-7310	\$ 1,200	
	01-4035-0000-7210-7310	\$ 550	
	01-0000-0000-7210-7310		\$ 8,900
Cash in County Treasury	01-0000-0000-0000-9110	\$ 8,900	
	01-3010-0000-0000-9110		\$ 5,100
	01-3060-0000-0000-9110		\$ 2,050
	01-3025-0000-0000-9110		\$ 1,200
	01-4035-0000-0000-9110		\$ 550
To record transfers of indirect costs to programs included in the consolidation of NCLB administrative funds.			

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**Procedure 780      Consolidation of NCLB Administrative Funds**

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The administrative costs, including indirect costs, charged to each program in the consolidation should be verified to make sure that administrative cost limits have not been exceeded.

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Pursuant to *Education Code* Section 41023, joint powers agreements/agencies (JPAs) consisting solely of school districts and county offices of education are subject to the same restrictions (e.g., financial reporting requirements) applicable to school districts and county offices, including preparation of budget and financial statements, certifications, accounting and auditing requirements, and expenditure and appropriation controls.

*Education Code* Section 41023 exempts from the financial reporting requirements those JPAs established to provide insurance funds for losses and payments for such things as health and welfare benefits for employees, school district liability, and workers' compensation pursuant to *Education Code* Section 17567.

### **Guidelines for JPA Financial Reporting**

The following guidelines for the standardized account code structure (SACS) budget and financial reports have been developed to standardize reporting for JPAs. The guidelines are designed to ensure that the revenues and expenditures for JPAs are not inadvertently "double counted" when financial data from all local educational agencies (LEAs) are aggregated into statewide totals.

1. When JPAs operate Regional Occupational Centers and Programs (ROC/Ps):

*Education Code* Section 52321(a) allows ROC/Ps established and maintained by JPAs to receive annual operating funds from each of the participating districts.

A district participating in a JPA in which the JPA operates the ROC/P will recognize the ROC/P apportionments as Other State Apportionments (Resource 6350 and Object 8311) and report the transfer of funds to the JPA as Transfers of Apportionments to JPAs (Resource 6350, Function 9200, and Object 7223).

The JPA will recognize the revenues as Transfers of Apportionments from Districts or Charter Schools (Resource 6350 and Object 8791). The expenditures will be reported in the Goal 6000, ROC/P, and the appropriate functions, such as Function 1000, Instruction.

2. When JPAs are responsible for administering a Special Education Local Plan Area (SELPA):

In accordance with *Education Code* Section 56195.1(b), a school district may, in conjunction with one or more school districts, form a JPA and prepare a plan for the education of individuals with "exceptional needs" residing within those districts. The plan must include the designation of a "responsible local agency or alternative administrative agency" (e.g., one of the participating school districts) to receive and distribute the special education moneys.

The responsible agency will report the special education funds in the appropriate special education resource categories (Resource 6500) and report the transfer of funds to the JPA as Transfers of Apportionments to JPAs (Resource 6500, Function 9200, and Object 7223).

The JPA will recognize the revenues as Transfers of Apportionments from Districts or Charter Schools (Resource 6500 and Object 8791). The expenditures will be reported in the special education goals (goals 5000–5999) and the appropriate functions, such as Function 1000, Instruction.

3. When JPAs are organized for the purpose of providing transportation or food services:

JPAs providing transportation or food services do so either (a) as a designated single school district or (b) through a contract.

- a. **Single School District JPA.** If a JPA's sole function is to provide school transportation services or school food services, the JPA may be designated as a single school district in accordance with *Education Code* sections 41980(a) and 41980(b) to receive state apportionments. No activity is reported on the district's books if its transportation/food services are provided by a single district JPA.

The JPA will report the apportionments in the appropriate resource and object (Transportation—Home-to-School [Resource 7230, Object 8311]; Transportation—Special Education [Resource 7240, Object 8311]; and Child Nutrition Programs [Resource 5310, objects 8220 and

8520]). The expenditures will be reported in the appropriate functions (Function 3600, Pupil Transportation, and Function 3700, Food Services).

- b.     **Contracted JPAs.** When JPAs provide transportation/food services through a contract, the reporting is as follows:

The district will report the expenditures associated with the JPA using Object 5100, Subagreements for Services, within the appropriate goal and function.

The JPA will report the revenue received from the district as Object 8677, Interagency Services Between LEAs, and report the expenditures as Goal 7110, Nonagency—Educational, in the appropriate function activity (e.g., Function 3600, Pupil Transportation, and Function 3700, Food Services).

4.     When school districts or county offices contract with JPAs for certain services:

If the reporting situations described previously do not apply, then the following guidelines should be used whenever school districts or county offices contract with JPAs for services (e.g., instructional services, support services):

The school district or county office will report the expenditures associated with the JPA as Subagreements for Services (Object 5100) within the appropriate goal and function.

The JPA will report the revenue received from the school district or county office using Object 8677, Interagency Services Between LEAs, and report expenditures as Goal 7110, Nonagency—Educational, in the appropriate function activity (e.g., Function 1000, Instruction, or Function 2100, Instructional Supervision and Administration).

## **Indirect Cost Rates for JPAs**

The California Department of Education (CDE) is responsible for approving indirect cost rates for all LEAs. Although it does not generally approve indirect cost rates for JPAs, CDE can approve an indirect cost rate for a JPA if the JPA meets the following conditions:

1. The JPA has a county-district code and is included on the CDE active list of JPAs filing the SACS financial reports. (See "County-District Codes for JPAs," page 805-5.)
2. The JPA is established to provide direct instructional and support services and operates its own administrative unit (e.g., ROC/P or SELPA JPAs), or the JPA is established to provide direct support services and operates its own administrative unit (e.g., pupil transportation, food services JPAs).

*Note:* Indirect cost rates will not be approved for JPAs that provide only central administrative services (e.g., payroll, accounting, centralized data processing).

3. The JPA has filed a SACS financial report for the appropriate year. Under the negotiated agreement with the United States Department of Education, indirect cost rates derived from the expenditure data of one fiscal year are applicable to programs in the second succeeding fiscal year. For example, rates derived from 2007-08 expenditure data are applicable to 2009-10 fiscal year programs.
4. The JPA has assigned only those costs normally associated with central administrative services, such as agencywide budgeting, accounting, purchasing, personnel, and centralized data processing, to Function 7200, Other General Administration. Costs relating to the administration of the program(s) provided by the JPA should be charged according to the function definitions in Procedure 325, the same as it would be if the program was provided by the district.

For example, directors of instructional programs should be charged to Function 2100, Instructional Supervision and Administration. Directors of transportation programs should be charged to Function 3600, Transportation. Directors of food service programs should be charged to Function 3700, Food Services.

5. The JPA makes a written request to CDE to approve its rate. This request process is part of the SACS unaudited actual financial data certification form.

*Note:* Expenditure reports submitted by JPAs are subject to the same analysis that CDE applies to school districts and county offices of education, including verification that indirect cost rate calculations are reasonable.

## **County-District Codes for JPAs**

The issuance of county-district codes will be limited to those JPAs that, consistent with the requirements of *Education Code* Section 41023, would appropriately file the SACS financial reports. JPAs established for insurance purposes under *Education Code* Section 17567 are excluded from the reporting requirements of *Education Code* Section 41023 and will not be issued county-district codes. When requesting a county-district code from CDE, the JPA must:

1. Complete an application for a county-district code for a JPA, following the instructions available on the Internet at <http://www.cde.ca.gov/ds/si/ds>. (For assistance or questions regarding county-district code applications, please contact CDS Administration at (916) 327-4014 or by mail at CDS Administration, Data Management Division, California Department of Education, 1430 N Street, Suite 6308, Sacramento, CA 95814.)
2. Include evidence that *Government Code* requirements for JPAs have been met. (See *Government Code* sections 6503.5 and 6503.7 regarding filing a notice of the JPA agreement with the Office of the Secretary of State and payment of the filing fee.)
3. Submit the request through the county office of education and obtain the approval of the county superintendent.
4. List all participants in the JPA.
5. Provide a description of the type of service provided by the JPA to the educational programs. Generally, JPAs provide instructional and support services only (e.g., ROC/Ps, SELPAs), support services only (e.g., pupil transportation, food services, utilities, facilities acquisition, financing), or central administrative services (e.g., payroll, accounting, centralized data processing, legal). (CDE program approvals may be required for certain types of JPAs.)
6. Describe how the financial reporting will be accomplished. (See "Guidelines for JPA Financial Reporting," page 805-1.)

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**T**he *California School Accounting Manual (CSAM)* provides guidance on generally accepted accounting principles for all local educational agencies (LEAs) as well as specific guidance for LEAs in California. Section 15071 of *Title 5 of the California Code of Regulations* requires that charter schools follow the guidelines in *CSAM*, to the extent the guidelines apply, for reporting of financial data. Much of the guidance in *CSAM* is relevant to charter schools.

## **GAAP for Charter Schools**

Governmental agencies, such as traditional school districts and county offices of education, use the governmental fund accounting model and the modified accrual basis of accounting for their governmental activities. Charter schools that are governmental use this basis of accounting. The authoritative source of generally accepted accounting principles (GAAP) for this model is the Governmental Accounting Standards Board (GASB).

Not-for-profit charter schools approved under *Education Code* Section 47604 that operate as, or are operated by, a nonprofit public benefit corporation pursuant to Section 501(c) (3) of the *Internal Revenue Code* typically use the not-for-profit accounting model and the accrual basis of accounting. The authoritative source of GAAP for this model is the Financial Accounting Standards Board (FASB).

The not-for-profit model more closely resembles private-sector (for-profit) accounting than governmental fund accounting. Nongovernmental not-for-profit entities using this model present external financial statements consisting of a Statement of Financial Position, a Statement of Activities, a Statement of Cash Flows, and Notes to the Financial Statements.

Governmental fund accounting and the differences between the accrual and the modified accrual bases of accounting are discussed in Procedure 101, Governmental Accounting.

## **Formats for Reporting Charter School Financial Data to CDE**

Pursuant to *Education Code* Section 42100, all LEAs, including charter schools, must report unaudited actual financial data to CDE. Charter data may be reported in either the standardized account code structure (SACS) format or in the alternative format for charter schools approved by the State Board of Education titled the Charter School Unaudited Actuals Financial Report—Alternative Form, hereinafter referred to as the

Alternative Form. Charter schools are encouraged to discuss the reporting options with their authorizing agencies and their independent auditors before choosing a format.

Regardless of the format used, the data submitted for each charter school must be a complete report of the charter school's financial operations, including beginning balances, revenues, expenditures (or expenses), and ending balances.

### **Using SACS for Charter School Financial Reporting**

Charter school financial data in the SACS format may be reported either within the financial data of the charter's authorizing LEA or separately from the authorizing LEA.

The decision as to whether a charter school should report to CDE as part of its authorizing LEA or separately should be based on whether the charter school is a part of the LEA or a separate reporting entity for purposes of GAAP. Authoritative guidance on the reporting entity is contained in GASB statements 14 and 39. A charter school that is the same reporting entity as its authorizing LEA, as defined by GAAP, will be included in the LEA's financial statements and will typically report to CDE as part of the LEA. A charter school that is a separate reporting entity, as defined by GAAP, will issue its own financial statements that are separate from those of its authorizing LEA and will typically report separately to CDE as well.

Whether reporting with the authorizing LEA or separately, the main operating funds available for charter school reporting are:

- General Fund (Fund 01)
- Charter Schools Special Revenue Fund (Fund 09)
- Charter Schools Enterprise Fund (Fund 62)

Only one main operating fund should be reported. However, charter schools using SACS may report additional funds (e.g., Fund 12, Child Development Fund, or Fund 13, Cafeteria Special Revenue Fund) in addition to their main operating fund.

For charter schools using the modified accrual basis of accounting for their audited financial statements, it would be appropriate for them to report their data to CDE using either Fund 01 or Fund 09, along with any additional funds they may have.



Charter schools using the accrual basis of accounting for their audited statements should use Fund 62, Charter Schools Enterprise Fund, to report their data to CDE. In this case, Fund 62 serves as a financial statement rather than as a fund. Charter schools using Fund 62 should use functions 1000, 2000, 3000, and such for their instructional and support activities rather than Function 6000.

Regardless of the basis of accounting, using SACS for charter school financial reporting will typically be simpler than such reporting for traditional school districts because charter schools receive block grant funding in lieu of many individual categorical funds and typically operate fewer instructional programs. As with any other LEA, charter schools need use only what is necessary, required, and applicable to them. For guidance in using SACS, charter schools are encouraged to refer to applicable sections and procedures in this manual.

### **Using the Alternative Form for Annual Financial Reporting**

Charter schools using the Alternative Form for financial reporting are encouraged to set up their accounts to align with the Alternative Form. A list of accounts that correspond to the Alternative Form is presented at the end of this procedure. Written definitions of each of the accounts (objects) can be found in Procedure 330.

Charter schools using the Alternative Form for financial reporting must use the spreadsheet version provided by CDE, and the county office of education must submit the data to CDE electronically. Because of the brevity of the form, additional data necessary for compliance or other calculations may have to be submitted separately.

The Alternative Form allows for either the modified accrual basis of accounting used by governmental agencies or the accrual basis of accounting normally used by not-for-profit entities. Regardless of the basis of accounting, charter schools using the Alternative Form should report all financial data on the form, using one basis of accounting or the other. The data submitted for each charter school must be a complete report of the charter school's financial operations including beginning balances, revenues, expenditures (or expenses), and ending balances.

If a charter school maintains more than one fund in its own accounting system and uses the Alternative Form for reporting to CDE, it should consolidate all the financial data from all its funds on the Alternative Form.

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## Procedure 810      Charter Schools

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For an Alternative Form, user's guide, and additional information about financial reporting, visit the following Web site:

<http://www.cde.ca.gov/fg/sf/fr>.

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## Procedure 810 Charter Schools

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### Listing of Object Codes for the Charter School Alternative Form

The following codes from the Charter School Unaudited Actuals Financial Report Alternative Form (Alternative Form) correspond to the SACS object codes described in Procedure 330. **The following codes are generally listed in the same order as they appear on the Alternative Form.** Because of block granting of charter school funds, there are many more codes listed than most charter schools will need. (For more information about the object codes and their definitions, refer to Procedure 330.)

<u>Object</u>	<u>Description</u>
<b>REVENUES (8000–8999)</b>	
8010–8099	Revenue Limit Sources
8011	State Aid—Current Year
8015	Charter Schools General Purpose Entitlement—State Aid
8019	State Aid—Prior Years
8020–8039	Tax Relief Subventions (for revenue limit funded schools)
8021	Homeowners' Exemptions
8022	Timber Yield Tax
8029	Other Subventions/In-Lieu Taxes
8040–8079	County and District Taxes (for revenue limit funded schools)
8041	Secured Roll Taxes
8042	Unsecured Roll Taxes
8043	Prior Years' Taxes
8044	Supplemental Taxes
8045	Education Revenue Augmentation Fund (ERAF)
8047	Community Redevelopment Funds
8048	Penalties and Interest from Delinquent Taxes
8070	Receipts from County Board of Supervisors (County School Service Fund [CSSF] only)
8080–8089	Miscellaneous Funds (for revenue limit funded schools)
8081	Royalties and Bonuses
8082	Other In-Lieu Taxes
8089	Less: Non-Revenue Limit (50 Percent) Adjustment
8090–8099	Revenue Limit Transfers (for revenue limit funded schools)
8092	PERS Reduction Transfer
8091	Revenue Limit Transfers
8097	Property Tax Transfers
8100–8299	Federal Revenues
8290	No Child Left Behind
8181	Special Education—Federal (Entitlement)

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## Procedure 810 Charter Schools

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<b><u>Object</u></b>	<b><u>Description</u></b>
8182	Special Education—Federal (Discretionary Grants)
8220	Child Nutrition Programs (Federal)
	Other Federal Revenues
8110	Maintenance and Operations (Federal Impact Aid)
8260–8299	Other Federal Revenues
8260	Forest Reserve Funds
8270	Flood Control Funds
8280	U.S. Wildlife Reserve Funds
8281	FEMA
8285	Interagency Contracts Between LEAs
8287	Pass-Through Revenues from Federal Sources
8300–8599	Other State Revenues
8480	Charter Schools Categorical Block Grant
	Special Education—State
	All Other State Revenues
8311	Other State Apportionments—Current Year
8319	Other State Apportionments—Prior Year
8425	Year-Round School Incentive
8434	Class Size Reduction, Grades K–3
8435	Class Size Reduction, Grade Nine
8520	Child Nutrition
8530	Child Development Apportionments
8540	Deferred Maintenance Allowance
8545	School Facilities Apportionments
8550	Mandated Cost Reimbursements
8560	State Lottery Revenue
8571	Voted Indebtedness Levies, Homeowners' Exemption
8572	Voted Indebtedness Levies, Other Subventions/In-Lieu Taxes
8575	Other Restricted Levies, Homeowners' Exemption
8576	Other Restricted Levies, Other Subventions/In-Lieu Taxes
8587	Pass-Through Revenues from State Sources
8590	All Other State Revenue
8600–8799	Other Local Revenues
8780	Charter Schools Funding in Lieu of Property Taxes

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**Procedure 810     Charter Schools**

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<b><u>Object</u></b>	<b><u>Description</u></b>
	All Other Local Revenues
8611	Voted Indebtedness Levies, Secured Roll
8612	Voted Indebtedness Levies, Unsecured Roll
8613	Voted Indebtedness Levies, Prior Years' Taxes
8614	Voted Indebtedness Levies, Supplemental Taxes
8615	Other Restricted Levies, Secured Roll
8616	Other Restricted Levies, Unsecured Roll
8617	Other Restricted Levies, Prior Years' Taxes
8618	Other Restricted Levies, Supplemental Taxes
8621	Parcel Taxes
8622	Other Non-Ad Valorem Taxes
8625	Community Redevelopment Funds Not Subject to Revenue Limit Deduction
8629	Penalties and Interest from Delinquent Non-Revenue Limit Taxes
8631	Sale of Equipment and Supplies
8632	Sale of Publications
8634	Food Service Sales
8639	All Other Sales
8650	Leases and Rentals
8660	Interest
8662	Net Increase (Decrease) in the Fair Value of Investments
8671	Adult Education Fees
8672	Nonresident Student Fees.
8673	Child Development Parent Fees
8674	In-District Premiums/Contributions
8675	Transportation Fees from Individuals
8677	Interagency Services Between LEAs
8681	Mitigation/Developer Fees
8689	All Other Fees and Contracts
8691	Plus: Miscellaneous Funds Non-Revenue Limit (50 Percent) Adjustment
8697	Pass-Through Revenue from Local Sources
8699	All Other Local Revenue
8710	Tuition
8781	All Other Transfers from Districts or Charter Schools
8782	All Other Transfers from County Offices
8783	All Other Transfers from JPAs
8791	Transfers of Apportionments from Districts or Charter Schools
8792	Transfers of Apportionments from County Offices
8793	Transfers of Apportionments from JPAs
8799	Other Transfers In from All Others

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**Procedure 810 Charter Schools**

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<b><u>Object</u></b>	<b><u>Description</u></b>
	<b>EXPENDITURES (1000–7999)</b>
1000–1999	Certificated Personnel Salaries (require a credential or permit)
1100	Teachers' Salaries
1200	Certificated Pupil Support Salaries
1300	Certificated Supervisors' and Administrators' Salaries
1900	Other Certificated Salaries
2000–2999	Noncertificated Salaries (do not require a credential or permit)
2100	Instructional Aides' Salaries
2200	Noncertificated Support Salaries
2300	Noncertificated Supervisors' and Administrators' Salaries
2400	Clerical and Office Staff Salaries
2900	Other Noncertificated Salaries
3000–3999	Employee Benefits Employers' contributions to retirement plans and health and welfare benefits. Codes ending in 1 indicate benefits paid to personnel in certificated positions, and codes ending in 2 indicate those paid to personnel in noncertificated positions.
3101–3102	State Teachers' Retirement System
3201–3202	Public Employees' Retirement System
3301–3302	OASDI/Medicare/Alternative
3401–3402	Health and Welfare Benefits
3501–3502	Unemployment Insurance
3601–3602	Workers' Compensation Insurance
3701–3702	OPEB, Allocated
3751–3752	OPEB, Active Employees
3801–3802	PERS Reduction (for revenue limit funded schools)
3901–3902	Other Employee Benefits
4000–4999	Books and Supplies Expenditures for books and supplies, including costs of sales/use tax and freight and handling charges
4100	Approved Textbooks and Core Curricula Materials
4200	Books and Other Reference Materials
4300	Materials and Supplies
4400	Noncapitalized Equipment
4700	Food

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## Procedure 810 Charter Schools

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<b><u>Object</u></b>	<b><u>Description</u></b>
5000–5999	Services and Other Operating Expenditures Expenditures for services, rentals, leases, maintenance contracts, dues, travel, insurance, utilities, and legal and other operating expenditures
5100	Subagreements for Services
5200	Travel and Conferences
5300	Dues and Memberships
5400	Insurance
5500	Operations and Housekeeping Services
5600	Rentals, Leases, Repairs, and Noncapitalized Improvements
5800	Professional/Consulting Services and Operating Expenditures
5900	Communications
6000–6999	Capital Outlay Expenditures for sites, buildings, books, and equipment, including leases with option to purchase; 6100–6500 for modified accrual basis of accounting only
6100	Land
6170	Land Improvements
6200	Buildings and Improvement of Buildings
6300	Books and Media for New School Libraries or Major Expansion of School Libraries
6400	Equipment
6500	Equipment Replacement
6900	<i>Depreciation Expense (accrual basis of accounting only)</i>
7000–7499	Other Outgo
7110–7143	Tuition to Other Schools
7110	Tuition to Other Schools
7130	State Special Schools
7141	Other Tuition, Excess Costs, and/or Deficit Payments to School Districts or Charter Schools
7142	Other Tuition, Excess Costs, and/or Deficit Payments to County Offices
7143	Other Tuition, Excess Costs, and/or Deficit Payments to JPAs
7211–7213	Transfers of Pass-Through Revenues to Other LEAs
7211	Transfers of Pass-Through Revenues to Districts or Charter Schools
7212	Transfers of Pass-Through Revenues to County Offices
7213	Transfers of Pass-Through Revenues to JPAs
7211–7223	Transfers of Apportionments to Other LEAs—Special Education
7221	Transfers of Apportionments to Districts or Charter Schools—Special Education
7222	Transfers of Apportionments to County Offices—Special Education
7223	Transfers of Apportionments to JPAs—Special Education
7211–7223	Transfers of Apportionments to Other LEAs—All Other
7221	Transfers of Apportionments to Districts or Charter Schools—All Other

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**Procedure 810 Charter Schools**

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<b><u>Object</u></b>	<b><u>Description</u></b>
7222	Transfers of Apportionments to County Offices—All Other
7224	Transfers of Apportionments to JPAs—All Other
7280–7299	All Other Transfers (other than apportionments or pass-through)
7280	Transfers to Charter Schools Funding in Lieu of Property Taxes
7281	All Other Transfers to Districts or Charter Schools
7282	All Other Transfers to County
7283	All Other Transfers to JPAs
7299	All Other Transfers Out to All Others
7438–7439	Debt Service
7438	Debt Service—Interest
7439	Other Debt Service—Principal

**OTHER FINANCING SOURCES/ USES**

8930–8979	Other Sources
8931	Emergency Apportionments
8951	Proceeds from Sale of Bonds
8953	Proceeds from Sale/Lease Purchase of Land and Buildings
8961	County School Building Aid
8965	Transfers from Funds of Lapsed/Reorganized LEAs
8971	Proceeds from Certificates of Participation
8972	Proceeds from Capital Leases
8973	Proceeds from Lease Revenue Bonds
8979	All Other Financing Sources (Use Object 8979 for proceeds of charter school loans.)
7630–7699	Less: Other Uses
7651	Transfers from Funds of Lapsed/Reorganized LEAs
7699	All Other Financing Uses
8980–8999	Contributions Between Unrestricted and Restricted Accounts
8980	Contributions from Unrestricted Revenues
8990	Contributions from Restricted Revenues
8995	Categorical Education Block Grant Transfers
8997	Transfers of Restricted Balances
8998	Categorical Flexibility Transfers per Budget Act Section 12.40

**FUND BALANCE, RESERVES**

9791	Beginning Fund Balance
9793	Audit Adjustments
9795	Other Restatements
9711	Reserve for Revolving Cash
9712	Reserve for Stores



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## Procedure 810 Charter Schools

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<b><u>Object</u></b>	<b><u>Description</u></b>
9713	Reserve for Prepaid Expenditures (Expenses)
9719	Reserve for All Others
9730	General Reserve
9740	Legally Restricted Balance
9770	Designated for Economic Uncertainties
9775	Designated for the Unrealized Gains of Investments and Cash in County Treasury
9780	Other Designations
9790	Undesignated/Unappropriated Amount

### **ASSETS**

9110	Cash in County Treasury
9111	Fair Value Adjustment to Cash in County Treasury
9120	Cash in Bank(s)
9130	Cash in Revolving Fund
9135	Cash with a Fiscal Agent/Trustee
9140	Cash Collections Awaiting Deposit
9150	Investments
9200	Accounts Receivable
9290	Due from Grantor Governments
9320	Stores
9330	Prepaid Expenditures (Expenses)
9340	Other Current Assets
9400–9499	<i>Fixed Assets (accrual basis of accounting only)</i>
9410	<i>Land</i>
9420	<i>Improvement of Sites</i>
9425	<i>Accumulated Depreciation—Improvement of Sites</i>
9430	<i>Buildings</i>
9435	<i>Accumulated Depreciation—Buildings</i>
9440	<i>Equipment</i>
9445	<i>Accumulated Depreciation—Equipment</i>
9450	<i>Work in Progress</i>

### **LIABILITIES**

9500	Accounts Payable
9590	Due to Grantor Governments
9640	Current Loans
9650	Deferred Revenue
9660–9669	<i>Long-Term Liabilities (accrual basis of accounting only)</i>
9661	<i>General Obligation Bonds Payable</i>

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**Procedure 810     Charter Schools**

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<b><u>Object</u></b>	<b><u>Description</u></b>
9662	<i>State School Building Loans Payable</i>
9664	<i>Net OPEB Obligation</i>
9665	<i>Compensated Absences Payable</i>
9666	<i>Certificates of Participation (COPs) Payable</i>
9667	<i>Capital Leases Payable</i>
9668	<i>Lease Revenue Bonds Payable</i>
9669	<i>Other General Long-Term Debt</i>

**T**he documenting of salaries and wages is necessary for a number of reasons, including identifying the funding source (resource), program or objective (goal), and activity (function). Personnel activity reports (PARs) and activity work sheets are an integral part of the documentation process. While some level of documentation is needed for all salaries and wages paid from federal funding, formalized documenting of salaries and wages for state programs is usually necessary only when the funds are restricted or if positions are split between goals or functions.

### **Salaries and Wages Charged to Federally Funded Programs**

Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, is a policy directive affecting which costs are allowable charges to federal programs, which costs are not allowable, and how costs must be documented. OMB Circular A-87 applies to all local educational agencies (LEAs) receiving federal funds.

Compensation for personnel services is an allowable charge to federal programs. However, LEAs are required to document their salary and wage charges. The standards for documenting salary and wage charges are specified in OMB Circular A-87, Attachment B, Section 8(h). These standards are in addition to those for payroll documentation. In general, the level of detailed backup support for accounting for the time spent by an employee is determined by whether an employee is funded from a single federal categorical program or cost objective, from more than one federal categorical program, or from a mix of federal and state programs or cost objectives. (OMB Circular A-87 defines cost objective as a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.) The salaries and wages of employees used in meeting cost sharing or matching requirements of federal awards must be supported in the same manner.

How an employee is funded determines whether the documentation of the employee's time spent on federal programs can be satisfied by a periodic (e.g., semiannual) personnel certification or must be provided in the more detailed form of a personnel activity report (PAR) or equivalent documentation. (See "How to Document Federally Funded Salaries and Wages," page 905-6.) Each LEA needs to determine its time accounting requirements based on its own unique circumstances, and each LEA must also ensure that its timekeeping efforts comply with the requirements of OMB Circular A-87. LEAs may consult with their independent auditors for guidance on time documentation.

LEAs designing their own instruments for getting the required documentation may find helpful the sample PAR on page 905-14. A sample periodic certification is provided on page 905-15.

**Employees Funded from a Single Federal Categorical Program or Cost Objective**

1. If an employee is funded solely (100 percent) from a single federal categorical program or cost objective, or from a single nonfederal categorical program used in meeting cost sharing or matching requirements of federal awards, the minimum requirement for documenting salary or wages is a semiannual certification by the employee that he or she worked solely on that federal categorical or cost objective during the period covered by the certification. The certification must be signed by the employee or the supervisor having firsthand knowledge of the work performed (OMB Circular A-87, Attachment B, Section 8[h][3]).
2. An LEA that consolidates No Child Left Behind Act (NCLB) administrative funds may treat the consolidated administrative cost pool as a single cost objective. (See Procedure 780, Consolidation of NCLB Administrative Funds.)
3. Whenever a Schoolwide Program (SWP) plan has been approved by CDE, LEAs may use NCLB, Title I, funds in combination with other federal funds and state and local general-purpose funds to upgrade the entire educational program in a school (Title I, Part A, Subpart 1, Section 1114). A school-site employee working solely on an SWP may be considered to be funded from one cost objective, and a periodic certification is sufficient for time accounting.

If there are employees in the SWP who are paid, in whole or in part, by federal programs that have not been combined in the SWP, personnel activity reports will still be necessary for those employees. (See "Employees Funded from More Than One Federally Funded Categorical Program Source or Cost Objective," page 905-4.)

4. California's School-Based Coordinated Programs (SBCPs) combine several state categorical programs in a manner similar to but not identical with an SWP. Under *Education Code* Section 52853 (SBCP), employees of an SWP at a school site funded from

SWP and SBCP funds (and assuming those are the only two fund sources) may be considered as funded by a single cost objective.

Prior to considering the SWP and SBCP funds as a single cost objective, make sure that the SBCP school plan includes the proposed expenditure of NCLB funds available to the school. If NCLB funds are not included, the existing SBCP school plan should be revised to include them. For SWP and SBCP funds to be considered as a single cost objective, the school must operate the state-approved SWP in a manner consistent with the expenditure of funds available to the school under SBCP, which means that the SWP and SBCP funds must be used for the same purpose.

Essentially, for employees at a school site to consider their SWP and SBCP funding sources as a single cost objective, the school's funding sources must be contained in an SBCP and a state-approved Title I SWP. That means that the school would use all the funds available to upgrade the entire educational program in the school. If all the funds are not available for all the students, the SBCP and SWP funding sources may not be considered as a single cost objective. There may be individual NCLB funds used at an SBCP school, such as for Title I Targeted Assistance schools; however, those funds may not be considered as a single cost objective unless they are included in a state-approved SWP that benefits all the pupils at the school.

5. Other instances occur in which it is unnecessary for every employee working in a project funded by a mix of federal, state, and local resources to substantiate federal time more often than semiannually. For example, the salary of a cook working in a school cafeteria may be funded from a mix of federal funds (free or reduced-price meal reimbursement), state funds (additional reimbursement funds), and local funds (lunch sales). If the cook spends all of his or her time in the preparation and serving of school lunches, the cook is not required to provide detailed documentation of the proportion of his or her time to be charged to the federal portion of the funding because the cook's time is all one cost objective—food service. The cook must certify semiannually that 100 percent of his or her time was spent providing food service.

Similarly, an aide working in a child care center may be receiving wages from child development funds, which may include federal, state, and local resources. If the aide spends 100 percent of his or

her time providing child care, the aide's time may be considered one cost objective. The aide must certify semiannually that 100 percent of his or her time was spent providing child care.

These are simplistic examples. More complex situations would require more detailed time accounting by the employees rather than semiannual certifications. LEAs need to evaluate each situation to determine the time accounting requirements, ensuring its timekeeping efforts comply with OMB Circular A-87.

### **Employees Funded from More Than One Federally Funded Categorical Program Source or Cost Objective**

Whenever an employee works in more than one categorical program or cost objective and at least one of the sources is federal, the employee's entire salary must be supported by a PAR or equivalent documentation (OMB Circular A-87, Attachment B, Section 8[h][4], [5], and [7]). (See "How to Document Federally Funded Salaries and Wages," page 905-6.)

The requirement to document the employee's time with a PAR or equivalent documentation is triggered by one or more of the following:

- The employee is funded by more than one federal categorical program source, and the funding is not combined in an SWP.
- The employee is funded by a mix of federal and state categorical program funding sources, and those sources are not combined in an SWP.
- The employee is funded by a mix of federal categorical programs (other than an SWP) and general-purpose funding sources.
- The employee is funded by more than one nonfederal categorical program source, and one of the sources is used in meeting cost sharing or matching requirements of federal awards.

OMB Circular A-87 allows for substitute systems that use sampling methods that meet statistical sampling standards for allocating salary and wages to be used in place of a PAR (OMB Circular A-87, Attachment B, Section 8[h][6]). The United States Department of Education has approved a substitute sampling system for time accounting for federal programs for the LEAs in California. (See "Substitute System for Time Accounting for Federally Funded Programs," page 905-7.)

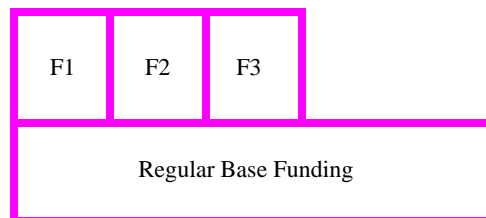
Whenever federal funding is used to fund an employee's salary (unless the employee is 100 percent funded from only one federal source or in an

SWP or covered under the federally approved substitute system as noted previously), the time spent by the employee on federal projects must be documented with a PAR or an equivalent documentation.

Examples of documentation required according to different funding configurations are presented as follows:

### **School A**

School A has three federal categorical programs (F1, F2, and F3) that supplement the school's regular base funding. All categorical employees are multifunded, either by more than one federal categorical or by a federal categorical and other general-purpose revenues (regular base funding).

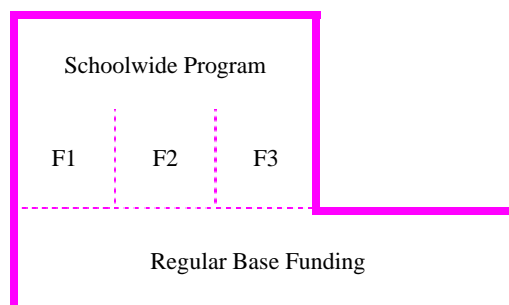


### *Requirements*

In this example all of School A's categorical employees are required to provide PARs for their total work time at least monthly because they are funded by two or more federal programs or by a federal program and general-purpose revenues.

### **School B**

School B has been approved as an SWP school. It has the same three federal categorical programs supplementing its regular base funding. In its SWP plan School B has combined F1, F2, and F3 and its regular base funding into a single cost objective.

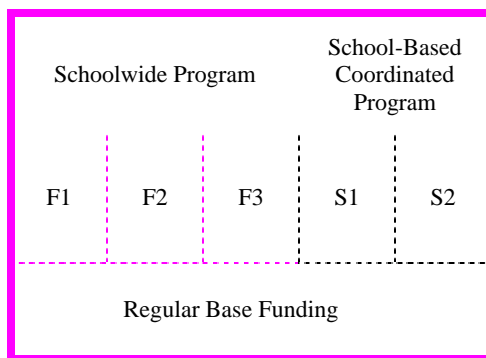


*Requirements*

In this example employees working solely at the School B site do not need to prepare PARs; semiannual certifications are sufficient. However, an employee who works at the School B site and works on other activities at another site must prepare a PAR.

**School C**

School C has been approved as an SWP school and has combined its regular base funding, its three federal categorical programs (F1, F2, and F3), and its SBCP funds from two state categorical programs (S1 and S2) as a single cost objective in its SWP plan.

*Requirements*

In this example School C employees working solely on the SWP do not need to prepare PARs; semiannual certifications are sufficient. However, an employee who works at the School C site and works on other activities at another site must prepare a PAR.

**How to Document Federally Funded Salaries and Wages**

OMB Circular A-87 requires PARs or equivalent documentation to support the costs of salaries and wages charged to federal programs in which employees work on multiple activities or cost objectives (OMB Circular A-87, Attachment B, Section 8[h][4]).

The intent of a PAR is to document the employee's certification of work performed in each categorical program or cost objective during the month. The PAR may be as detailed as a time sheet that identifies the employee's activity daily by hours, or it may be as simple as a report of the total hours or percentage of hours spent in each categorical program or cost objective for the month. The level of detail can generally be determined by the



diversity and variation of the employee's work activities. The safest approach is to provide more documentation rather than less.

OMB Circular A-87 states that PARs or equivalent documentation must:

- Reflect an after-the-fact distribution of the actual activity of each employee.
- Account for the total activity for which each employee is compensated.
- Be prepared at least monthly and coincide with one or more pay periods.
- Be signed by the employee.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but those figures may be used for interim accounting purposes provided that:

- The LEA's system for establishing the estimates produces reasonable approximations of the activities actually performed.
- Comparisons of actual costs with budgeted distributions based on the monthly activity reports are made at least quarterly. If the variances between budgeted and actual costs are 10 percent or more, adjustments must be made on the LEA's financial records, including billings made to federal grantor agencies. If the variances between budgeted and actual costs are less than 10 percent, the adjustments may be recorded annually.
- The budget estimates or other distribution percentages are revised at least quarterly if necessary to reflect changed circumstances.

A sample PAR is provided on page 905-14. The sample may help LEAs in designing their own instrument for getting the required documentation.

### **Substitute System for Time Accounting for Federally Funded Programs**

The United States Department of Education approved a substitute sampling system of time accounting for federally funded programs for California's LEAs in 1998. The substitute system was made available to California's LEAs to use, at their option, for substantiating federal salary and wage charges for those employees working on multiple-funded activities or cost objectives.

The substitute system is intended to simplify recordkeeping for LEAs that must substantiate salary and wage charges to federal programs through the use of PARs or equivalent documentation. Unless the LEA uses this approved substitute system, PARs must be prepared at least monthly for employees working on activities funded from multiple resources whenever federal funds are involved.

Under the substitute system approved for California, PARs may be required less frequently. Specifically, the approved substitute system allows LEAs to collect PARs from employees every fourth month (three times a year). The information from the PARs is used to estimate the percentage of time employees would spend on various federal programs in the next three months and reconcile the federal timekeeping estimates from the previous three months. This system works best when the composite workload produces an even distribution of salaries to accounts over the full 12-month period.

The following is a description of the substitute system process. The description assumes that the LEA begins the substitute recordkeeping process in July. However, LEAs may choose any month to begin the cycle. Because the starting month establishes the recordkeeping cycle for the year, LEAs should choose a starting month that most accurately reflects their annual average labor cost experience.

- All multiple-resource-funded employees (i.e., those employees funded from more than one resource, at least one of which is federal or one used in meeting cost sharing or matching requirements of federal awards) keep PARs for the full month of July to account for 100 percent of their time spent on activities for which they are compensated. From the PARs, labor distribution reports for July are generated to support effort distribution and charges for incurred costs in July and provide the basis for employee salary and fringe benefit allocations for August, September, and October.
- In November and again in March, employees keep PARs, which are used to:
  1. Support effort and labor costs incurred in November and March.
  2. Compare with and make any necessary adjustments to the budgeted effort distribution for August through October and December through February.

3.     Project salary and fringe benefit allocations for December through February and April through June.

- The same process is followed once more in July to support incurred labor cost allocations for that month and to compare and adjust the budgeted effort distribution for April through June. Further, the July PARs start another round of labor distribution estimates for the second year.
- After the first full year on the system, LEAs may shift from collecting PARs three times a year to two times a year if the deviation between their total estimated and total actual time charges is constantly less than 10 percent. Thereafter, the twice-yearly PAR collection may be maintained as long as the deviation is constantly less than 10 percent.

Written policies and procedures are essential to implementing an effective labor distribution system. Each LEA must develop its own instructions for the following:

1.     Completion of PARs (including information about how frequently PAR data must be recorded and what constitutes adequate documentation)
2.     Review and approval cycle that is required
3.     Handling of completed forms
4.     Internal review process that will be established to ensure compliance

Generally, this information should provide enough detail to permit an understanding of how this system will operate from the point labor is expended to the point it is recorded in the accounting records and charged to federal awards.

LEAs must develop forms and management and employee instructional materials to meet their particular needs for time accounting. They may consult with their independent auditor for guidance specific to the LEA in this process. LEAs should provide training before implementing the system and do a trial run before beginning the actual substitute system process.

**Important Rules:**

1. For purposes of this substitute system, a "multifunded" or "multiple-resource-funded" employee means that the employee is funded from one of the following:
  - a. The employee is funded by more than one federal categorical program source, and the funding is not combined in an SWP.
  - b. The employee is funded by a mix of federal and state categorical program funding sources, and those sources are not combined in an SWP.
  - c. The employee is funded by a mix of federal categorical programs (other than an SWP) and general-purpose funding sources.
  - d. The employee is funded by more than one nonfederal categorical program source, and one of the funding sources is used in meeting cost sharing or matching requirements of federal awards.
2. Those employees funded solely (100 percent) from a single federal source must be excluded from the substitute system because their data would distort the aggregate results of the multifunded data. Those employees must prepare semiannual certifications.
3. If LEAs use the substitute system, all multifunded employees who are required to complete PARs must participate.
4. PARs completed by each participating multifunded employee must cover the entire month that is being sampled.

The decision to use this substitute system for allocating salaries and wages to federal programs is completely optional for each LEA. After examining this substitute system, LEAs may wish to continue their current methods of substantiating salary and wage charges to federal programs rather than use the substitute system.

## **Salaries and Wages Charged to State Programs**

LEAs are required to provide supporting documentation for salaries and wages charged to *state restricted programs* (resources). The LEA may elect to use either the same OMB Circular A-87 documentation methods used to support salaries and wages charged to federal programs, as described in "How to Document Federally Funded Salaries and Wages" beginning on page 905-6, or alternative documentation requirements for state programs as described following. The single cost objective rules that apply to federal programs, as explained beginning on page 905-2, can also be used when substantiating salaries and wages charged to state restricted resources. However, if an employee being funded from state restricted funds is also funded from one or more federal categorical programs, that employee's time must be documented following OMB Circular A-87 documentation methods. As noted on page 905-7, under OMB Circular A-87 rules, personnel activity reports or equivalent documentation must account for the total activity for which each employee is compensated.

Salaries and wages charged to *state unrestricted programs* are not required to follow these documentation rules. However, if staff members' time is charged to a specific instructional goal or to multiple instructional goals, they must follow the rules outlined in "Documenting Salaries and Wages to a Goal" beginning on page 910-10. Procedure 910 also includes a number of standard cost distributions that may be made in lieu of time accounting when salaries and wages are paid from state unrestricted funds.

### **How to Document State Restricted Salaries and Wages**

As stated previously, salaries and wages paid from state restricted funds must have supporting documentation conforming to either the OMB Circular A-87 rules or the alternative documented method. For the documented method to be used, the following criteria must be met:

1. The specific costs would not occur if the program being documented were discontinued.
2. The costs must be supported by auditable documentation, including time reports and contemporaneous records of activities.
3. All parts of the product or service (e.g., a position or service contract) must be documented.

### **Components of the Documented Method**

Use of the documented method requires the maintenance of specific records. Costs documented to single or multiple state restricted programs require at least the following documentation:

*Program Staff.* An activity work sheet must be completed if the program employee's time is to be charged to a restricted program. Use of an activity work sheet to report time spent in various programs means that the employee must be able to substantiate the information that is reported. This substantiation consists of contemporaneous documentation, such as appointment calendars, caseload records, and notices of meetings. The school district or the county office must retain such documentation for a minimum of three years after the year of audit.

Employees working in more than one activity or position whose time is being documented (e.g., an employee working half-time as a project director and half-time as a psychologist) need to maintain time-accounting records for each activity. Employees working part-time in a teaching position and part-time in a support position also need to maintain an activity work sheet to record the time spent in the teaching activity and that spent in the support activity.

*Support Service Staff.* Positions providing a support service function that are charged to multiple activities need to maintain time-accounting records for each activity. When only one program is charged, consistent and verifiable supporting documentation is still needed and may be documented by identification with a position in the personnel/payroll system or an individual's contract.

*Clerical Staff.* Activity work sheets are normally not needed for clerical staff. The costs of clerical services should be charged in the same manner as the costs of the manager to whom the clerical staff members report. An exception is if the clerical duties do not correspond to those of the manager, in which case the clerical staff members should document their time by using an activity work sheet.

*Activity Work Sheets.* Unless otherwise stated, personnel whose costs are being documented under this method must complete an activity work sheet. The work sheet must include as a minimum the following elements (but additional information may be incorporated to meet local needs):

- *Reporting frequency.* An employee's activity work sheet must be completed at least monthly and filed with the business office.

- *Information to be reported.* The following basic information must be recorded for each employee being documented:

1. Name of the school district
2. Employee's name
3. Employee's position title
4. Period covered by the work sheet
5. Signature of the employee
6. Signature of the employee's supervisor
7. Work activity information

For employees assigned to a single program or cost objective, record in the work sheet the name/description of the program or cost objective. The basic activity work sheet provides the minimum required documentation when an employee's assignment is in support of only one program or cost objective.

Employees who are assigned to positions that serve more than one program should also record the following:

8. Name/description of each program or cost objective
9. Dates worked
10. Hours worked

Record only actual hours worked. (These hours will be used as the basis for distribution of costs to the programs or cost objectives.) Include overtime hours worked whether paid or unpaid. Exclude time off (vacation, sick leave, and any other time off). Report to the nearest quarter hour any time worked that is less than one hour. Substantiation of the time spent for each program at a minimum is to include a summary time sheet plus contemporaneous records that detail the time spent on each task.

*Note:* These time accounting requirements are provided as general guidance and may not be sufficient documentation for all programs. It is recommended that LEAs obtain specific guidance from the programs to ensure compliance with all requirements.

**Sample Personnel Activity Report****Personnel Activity Report (PAR)**Period Covered <sup>1</sup> \_\_\_\_\_ Fiscal Year \_\_\_\_\_

Name \_\_\_\_\_ Division or Department \_\_\_\_\_

<u>Program Title</u>	<u>Account/Resource Number</u>	<u>Percent of Effort</u>
Sample Project A	1111	20
Sample Project B	2222	40
Sample Project C	3333	35
Program Administration		5
Total Effort <sup>2</sup>		100 %

I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

\_\_\_\_\_  
Employee\_\_\_\_\_  
Date

<sup>1</sup>This report must be prepared at least monthly and coincide with one or more pay periods.

<sup>2</sup>This report must account for the total activity for which each employee is compensated.

**Caution:** This sample form will work well in those situations when an employee's time spent on programs is fairly predictable and does not vary much during the month. However, for those employees whose time is unpredictable and varies significantly from day to day, a more detailed personnel activity report may be appropriate. Keep in mind that hourly time accounting is the most acceptable method for auditors and that the safest approach is always to provide more documentation rather than less.



**Sample Periodic Personnel Certification****Semiannual Certification<sup>1</sup>**Period Covered <sup>2</sup> \_\_\_\_\_ Fiscal Year \_\_\_\_\_

Employee Name \_\_\_\_\_

Division or Department \_\_\_\_\_

<u>Program Title</u>	<u>Account/Resource Number</u>	<u>Percent of Effort</u>
Program Name	1111	100%

I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

\_\_\_\_\_  
Employee or Supervisory Official<sup>3</sup>\_\_\_\_\_  
Date

<sup>1</sup>This sample certification is for employees funded solely (100 percent) from a single federal categorical program or cost objective or from a single nonfederal categorical program used in meeting cost sharing or matching requirements of federal awards.

<sup>2</sup>Certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification).

<sup>3</sup>Must be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

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**G**eneral education instructional programs, which include pre-kindergarten, elementary, secondary, occupational, and adult education, are designed to prepare students for occupations and their common activities as citizens. While many costs are easily identifiable with an instructional setting (e.g., teachers' salaries and student textbooks), many other costs, such as support services and general administration, are often harder to identify with an individual program.

Program cost accounting provides a standardized method of identifying all costs of a particular program, including its instructional, support, and central administration costs. Such cost identification is critical to a meaningful cost-reporting system for use by state and local decision makers in assessing the fiscal impact of programs and projects.

In the standardized account code structure (SACS), the goal field provides the framework for program cost accounting. Throughout this section the terms "goal" and "program" are virtually interchangeable.

### **Direct-Charged Versus Allocated Costs**

When costs are being assigned to programs, many costs are easily identifiable with a specific program and can be charged to that program's goal at the time of expense, especially costs that apply to a single program (e.g., an elementary classroom teacher's salary). But for certain types of costs, LEAs may prefer to accumulate them in an "undistributed" cost pool (Goal 0000) for later distribution to programs.

Costs may be charged to a program using two methods:

- **Direct-Charged Costs.** Direct costs that are charged to a program at the time of expense or that are distributed from Goal 0000 to the program on the basis of specific documentation (e.g., time sheets or work orders) are referred to as direct-charged costs.
- **Allocated Costs.** Costs that are accumulated in a Goal 0000 cost pool and are subsequently distributed to programs on the basis of standard allocation factors (e.g., full-time-equivalents, classroom units, pupils transported) are referred to as allocated direct costs. This usually applies to costs of support-type activities, such as instructional or school administration, pupil transportation, and plant maintenance and operations.

## Categories of Costs

Identifying costs for program cost accounting follows a stair-step model, starting with those closest to the classroom. The categories of costs include:

- Instructional costs
- Support costs
- Central administration costs
- Other costs

**Instructional costs** relate directly to instructional programs. Examples include the salaries and benefits of teachers and instructional aides, payments for textbooks and instructional supplies, travel and conference expenses for all employees in the instructional programs, and payments for the repair, maintenance, acquisition, and replacement of instructional equipment. Instructional costs are always direct-charged to a specific goal.

**Support costs** relate to the peripheral services necessary to maintain the instructional programs, including supervision of instruction, library, classroom technology, school administration, pupil support services, plant maintenance and operations, facilities rentals and leases, and pupil transportation. Support costs may be direct-charged to a goal if proper documentation exists; but, more commonly, they are accumulated in Goal 0000, Undistributed, and subsequently allocated to programs on the basis of standardized program cost allocation factors.

**Central administration costs** are farthest removed from the classroom but are still necessary for programs to operate. These agencywide costs, including budgeting, personnel, accounting, centralized data processing, school board, and superintendent, are collected in Goal 0000, Undistributed, and then distributed proportionately to all programs on the basis of a central administrative ratio (percentage).

**Other costs**, such as debt service, transfers between agencies, and facilities acquisition and construction, are not usually associated with individual programs for cost accounting purposes.

Each category of cost is necessary for instructional programs to exist and therefore should be considered when total program costs are identified. The following pages include explanations of the different cost categories and any steps necessary to distribute the costs to specific programs.

## **Instructional Costs**

Instructional costs are costs identifiable with a specific goal indicating the instructional setting or group of students receiving the services.

Accounting guidelines require that instructional costs always be direct-charged to a specific goal. Expenditures in the instructional functions (1000s), ancillary functions (4000s), and community service functions (5000s) are always classified as an instructional cost and must always be direct-charged to a specific goal.

Charging costs directly to a goal requires consistent and verifiable supporting documentation that indicates how the costs relate to the goal:

- **Personnel costs.** Examples of supporting documentation for charging salaries and wages to a specific goal include identification with a position in the personnel/payroll system, time-sheet information, language in a contract, or a class schedule with assigned student enrollment. (For additional information, see "Documenting Salaries and Wages to a Goal," page 910-10.)
- **Nonpersonnel costs.** Nonpersonnel costs charged to a specific goal should have supporting documentation that identifies the program(s) receiving the service, supply, or equipment. The program administrator's signature on a tracking document (invoice, requisition request, purchase order, receiving report, contract, equipment inventory listing) acknowledging receipt of the product will validate the charge.

## **Support Costs**

Support costs are costs of activities conducted in support of instructional programs. They are typically charged to a common pool of costs by using Goal 0000, Undistributed, or Goal 9000, Other Local Goals. (For ease in reading the remainder of this section, goals 0000 and 9000 are intended whenever Goal 0000 is referenced.) Support costs may also be direct-charged to a specific goal at the time of expenditure or may be subsequently transferred to a specific goal, provided that sufficient documentation exists (see "Documenting Salaries and Wages to a Goal," page 910-10, and "Documenting Nonpersonnel Costs to a Goal," page 910-14). Before total program costs can be determined, any costs remaining in the "undistributed" goal must be allocated to the LEA's programs.

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Costs in the following support functions may be accumulated in Goal 0000:

- Instruction-Related Services (functions 2000–2999)
- Pupil Services (functions 3000–3999, except 3700)
- Plant Services (functions 8000–8999, except 8500)

To provide consistent, comparable LEA program cost information, a specific allocation methodology is used to distribute support costs remaining in Goal 0000. (See "Allocating Support Costs Using Allocation Factors," page 910-5.) Use of this allocated method provides a systematic way of distributing costs from Goal 0000 to programs without requiring the supporting documentation needed when the documented method is used.

### Central Administration Costs

Central administration costs (CAC) are those business and administrative costs that are agencywide (e.g., accounting, budgeting, personnel, purchasing). CAC functions include:

- Board and Superintendent (functions 7100–7180)
- Other General Administration (functions 7000–7600)
- Centralized Data Processing (Function 7700)

Because of the agencywide nature of central administration costs, they are not documented or allocated to specific goals. Rather, they are accumulated in CAC functions using Goal 0000, Undistributed, and then proportionately distributed to each program on the basis of a central administrative cost ratio.

It should be noted that central administration costs in program cost accounting are similar, but not identical, to the indirect cost pool used for calculation of the indirect cost rate. Differences include (1) counting board and superintendent costs in the CAC pool for program cost accounting but excluding it from the indirect cost pool; and (2) including a minor portion of administrative maintenance and operations costs in the indirect cost pool but not in the CAC for program cost accounting.

A CAC ratio, expressed as a percentage, represents total general fund central administration costs divided by direct-charged and allocated costs from all funds that historically benefit from the administrative services. The resulting ratio, or percentage, can then be multiplied by a program's

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total direct-charged and allocated costs to arrive at the amount of central administration costs applicable to that program.

### "Other" Costs

"Other" costs are those costs that are not associated with a specific goal. They include the food service, enterprise, facilities acquisition and construction, and other outgo functions. For purposes of program cost accounting, these costs are kept separate, even if the agency direct-charges the costs to a specific goal in their accounting records.

### Allocating Support Costs Using Allocation Factors

The benefit provided to instructional programs by a support service function varies with the type of support provided. The benefit to programs from certain support services might vary in relation to the number of instructional staff receiving the support. The benefit to programs from other support services might vary in relation to the amount of space occupied by the instructional program or the number of students being served.

Three cost allocation factors provide the basis for allocating to programs the different types of support service costs:

1. Full-Time-Equivalent Teachers (FTEs)
2. Classroom Units (CUs)
3. Pupils Transported (PTs)

Through a determination of the counts of each factor by program, Goal 0000 costs can be proportionately distributed to each goal.

#### Allocation Factors

<b>Full-Time-Equivalent (FTE) Teachers</b>	<p><b>Definition:</b> The full-time-equivalent (FTE) teacher allocation factor is the number of full-time-equivalent teachers serving (assigned) in each instructional program (goal). An assignment is a specific responsibility, classroom assignment, or course section taught.</p> <p>Teachers or assistant teachers (certificated or classified) should be included in the FTE count if they carry active student registers and their services generate average daily attendance (ADA). Certificated and classified employees providing special</p>
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education designated instructional services and carrying active student registers should also be included in the FTE count.

Full-time equivalency is determined on the basis of the number of hours (i.e., of actual instruction of students) that constitutes a full-time teaching assignment for the agency. Taking the ratio of assignment hours to the number of hours that constitutes a full-time assignment calculates the FTE.

The four common categories for assignments are:

1. *Single assignment:* A full-time teacher assigned to a single goal is counted as 1.0 FTE for that goal.
2. *Split assignment:* A full-time teacher assigned to two or more goals is split between the goals on the basis of the proportionate share of hours in each assignment. For purposes of determining the number of FTEs to be allocated to each assignment, preparation periods, supervision, noon duty, individualized educational program (IEP) assessments, and other ancillary assignments are to be disregarded in the FTE calculation. Study halls are considered a regular class assignment.
3. *Semester assignment:* A full-time teacher assigned to programs of one semester or less is counted as a 0.5 FTE. Full-time teachers assigned to programs of more than one semester are counted as 1 FTE.
4. *Part-time assignment:* Prorate, using the preceding basic definition. For example, a teacher instructing in a program on a one-fourth time basis would be counted as a .25 FTE.

Totaling the computed number of FTE teacher units determines the FTE teacher count for each instructional goal. If applicable, FTE teacher counts may also be calculated for the community services and child care and development services goals.

Include in the count those teachers who are assigned to programs operated in the district but who are not employed by the district (e.g., those in special education or regional occupational center/program classes in which the teachers are paid by the county office). These FTE counts are to be recorded in the nonagency activities educational program.

For consistency, the FTE teacher count may be developed at any time after classes have been established for the second semester. In a large district an efficient way to compile the total FTE units may be to have each administrator complete a count and then to combine the information into a composite work sheet. Care must be taken to ensure that more than one site administrator does not report the same FTE units.

**FTE Functions:** FTE factors are used to allocate costs in instruction-related functions (2100, 2420, 2490, and 2700) and pupil services functions (3110, 3120, 3130, 3140, 3150, 3160, and 3900).



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<b>Classroom Units (CU)</b>	<p><b>Definition:</b> The classroom unit (CU) allocation factor is the number of units of space occupied by each program. The CU provides a method of converting each program's square footage into a standardized allocation factor. Although the term "classroom unit" was derived from using an "average" classroom as the basis for the measurement, all types of space are included in the CU count, not just classrooms.</p> <p>When calculating CUs, count space that is occupied by an identifiable function or activity. If multiple programs share an area, the CU is allocated to each program on the basis of the percentage of hours the room is used by each program. Report noninstructional programs occupying space in district administration facilities as part of the district administration program.</p> <p>Common-use areas are considered to benefit all programs and are not included in the calculation of CUs. They include areas such as school offices, media centers, libraries, corridors, restrooms, faculty rooms, unoccupied rooms, and outdoor areas (swimming pools, ball fields).</p> <p><i>Instruction and office areas.</i> For "people-occupied" areas, such as instruction or office space, a room that falls within the general range of 800 to 1,100 square feet counts as one (1.0) CU. Areas that fall outside this range are converted to CUs by dividing the actual square footage by 960. For example, a room occupying 1,200 square feet is 1.25 CU (1,200 divided by 960). Examples of areas converted to CUs by using 960 might include large areas, such as science labs, computer labs, multipurpose rooms, and gymnasiums; small areas, such as cubicles for speech therapy; and agencywide administration facilities.</p> <p><i>Operational areas.</i> Buildings such as maintenance shops, warehouses, and transportation facilities generally require approximately one-third the amount of maintenance and upkeep required for spaces used for students and other services. Convert these operational areas to CUs by dividing square footage by 2,880 (960 x 3). Partially enclosed spaces, such as sheds or patios, may be excluded from the calculation.</p> <p><i>Food services.</i> In the area of food services, only the kitchen and serving areas are counted as CUs. The eating area is considered common space and is omitted from the calculation unless other activities occur in this area. If a multipurpose room is used for part of the day for classes and part of the day as the eating area, the CUs for the portion of the day attributable to classes are assigned to the appropriate program, and the portion attributable to food services is omitted.</p> <p><b>CU Functions:</b> CU factors are used to allocate costs in the plant services functions (8100 and 8700).</p>
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<b>Pupils Transported (PT)</b>	<p><b>Definition:</b> The pupils transported (PT) allocation factor is the number of students transported in the year, which is determined by counting the number of students in each program transported from home to school. This factor represents the number of students, not the number of trips.</p> <p>Special education pupils receiving home-to-school transportation may be counted in the special education program only if their IEPs require home-to-school transportation. Otherwise, these children will be counted as regular students. Pupils who receive home-to-school transportation to attend schools <i>other than their neighborhood schools</i> because of requirements of their IEPs should also be counted as special education PTs.</p> <p><b>PT Function:</b> PT factors are used only to allocate costs in Function 3600, Pupil Transportation.</p>
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*Note:* Effective in 2004-05, the workstation allocation factor, used during earlier stages of SACS implementation, is no longer a part of program cost accounting. Costs reported in Function 7700, Centralized Data Processing, by definition should be agencywide and are a central administrative cost for program cost reporting and indirect cost purposes. Data processing costs that are not agencywide should be charged to the appropriate function. For example, personal computers used for instructional programs are charged to Function 1000, Instruction, or Function 2420, Instructional Library, Media, and Technology.

### Developing Allocation Factor Counts

Because the allocated method applies to costs that did not qualify to be distributed using the documented method, and the purpose of the allocated method is to distribute Goal 0000 costs in a standardized manner, it is important to compile complete factor counts for each instructional setting operated by the LEA. If a function (or group of functions) has costs in Goal 0000, unless specific exclusion conditions have been met, the factor counts for the function(s) must represent all programs operated by the LEA.

For each type of factor, the count should represent a point-in-time to prevent double counting. For instance, if FTE teacher counts were taken for some programs in the fall and for others in the spring, teachers that were reassigned in the interim could be inadvertently counted in more than one program.

Factor counts (FTE, CU, or PT) should be taken at a time that best represents each factor and can correspond with other uses of the same

factor, such as pupil transportation counts taken for reports on the transportation program.

### **Excluding Factors from the Count**

The allocated method of distributing support costs is based on the premise that all programs benefit to some degree from the services provided by the support programs. If a program does not benefit from a support service program or if the program has already been direct-charged for its share of the support service costs, the specific factor count (FTE, CU, PT) that corresponds to the nonbenefiting program is to be excluded (subtracted) from the factor count for that program. For example, if the Continuation Schools program was already direct-charged for costs of school administration, or if it did not benefit at all from the Goal 0000 school administration costs, then the FTE count for the Continuation Schools program would be excluded under the school administration function.

Excluding factors from the count is an exception to the standardized allocation process and requires that documentation exists to substantiate the exclusion. If an instructional program did not benefit from the services of a support program and is being excluded from a factor count, both the instructional program administrator and the administrator of the support service program should confirm the exclusion. If the exclusion is being made because the instructional program has already been direct-charged for a particular support service cost, documentation verifying this should be kept as backup to the count of allocation factors.

### **Transferring Allocated Costs**

Once allocation factors have been calculated, the allocated support costs can be distributed from Goal 0000, Undistributed, to each benefiting program as part of the program cost report process. LEAs are not required to record this transfer of allocated costs in their accounting ledgers.

For those LEAs that choose to record the distribution of these costs, the following is an example where total Goal 0000 costs in Function 3140, Health Services, are distributed to specific goals on the basis of the number of FTE teachers in each instructional goal. A ratio for each instructional setting is determined by dividing the total FTEs in each goal by the total of all FTEs. In this example, this ratio is then applied to the costs in Function 3140, Health Services, and the prorated costs are distributed using Object 7370. (*Note:* The schedule of allocated costs in the program cost report shows, by goal, the amount of support costs

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allocated to each program. LEAs may wish to use the figures provided by their completed program cost report as the basis for their accounting entries.)

Dr	01-0000-0-1110-3140-7370	\$500,000	Regular Ed, K–12
Dr	01-0000-0-6000-3140-7370	\$100,000	ROC/P
Dr	01-0000-0-3200-3140-7370	\$100,000	Continuation Schools
Dr	01-0000-0-5001-3140-7370	\$150,000	Special Education
Cr	01-0000-0-0000-3140-7370	\$850,000	Undistributed

In the example, costs have been credited to Goal 0000, Undistributed, and debited to specific goals but not to specific resources, which matches the level of detail in the program cost report.

### Documenting Salaries and Wages to a Goal

Charging costs of salaries and wages to federal funds or state restricted funds is allowed when the documentation requirements outlined in Procedure 905 have been met. There are also times when salaries and wages charged to state unrestricted funds must be substantiated, such as when the costs are direct-charged to a specific instructional goal or when costs are split between instructional goals.

The following are general guidelines and examples of how salaries and wages directly charged to an instructional goal may be documented:

**A.     Instructional Salaries and Wages**

Generally, the class roster provides sufficient documentation for substantiating the salaries and wages of classroom teachers charged to specific goals.

The documentation for instructional aides may be based on their assignment to teachers with class rosters or the category of students to whom they are assigned.

**B.     Noninstructional Salaries and Wages with a Single Goal**

When supported by proper documentation, noninstructional salaries and wages may be directly charged to a single goal. For example, the contract or job description of a school nurse or counselor may specify the category of student they will solely serve, such as special education students; or the contract or job description of a project director may specify the category of student served, such as Director of Adult Education or ROC/P Administrator. If proper documentation does not exist, the costs

should be charged as Goal 0000, Undistributed, and subsequently allocated to specific goals during the program cost accounting process by using standardized allocation factors (see "Allocating Support Costs Using Allocation Factors," page 910-5).

**C.    Noninstructional Salaries and Wages with Multiple Goals**

Direct-charging noninstructional salaries and wages to multiple goals requires documentation supporting the amount of time spent on each goal.

The salaries and wages of certificated administrators in instruction-related services (functions 2100 through 2700) or certain pupil services (functions 3100 through 3160 and 3900) that are charged directly to multiple goals are to be supported by time-activity work sheets. In many cases, documentation (e.g., time cards, personnel activity reports, or time-activity work sheets) already provided to substantiate the use of federal or state restricted funds is sufficient for documenting to a goal. The salaries and wages of classified support staff should usually be distributed to the same goals and in the same ratio as for the certificated personnel to whom they report.

Noninstructional salaries and wages of personnel other than administrators may be supported by time-activity work sheets, current job descriptions, or employee contracts. If job descriptions or contracts are used for documentation, they must be regularly reviewed and updated to ensure that they are current and reflect the actual activities of the staff. The actual charges should be based on actual time spent on specific goals rather than on budgeted figures.

In many situations, rather than charging noninstructional salaries and wages directly to specific goals, it is appropriate to charge them to Goal 0000, Undistributed, for later allocation to specific goals during the program cost accounting process, using standardized allocation factors (see "Allocating Support Costs Using Allocation Factors," page 910-5).

**D.    Salaries and Wages with Multiple Resources and Multiple Goals**

The documentation for positions that are funded with multiple funding sources (resources) will in most cases support the division between multiple goals. For example:

*A counselor, hired to serve all students, is paid with a combination of unrestricted resources, a special education apportionment, and a federal categorical grant for low-income students. As stated on page 905-4, because part of this funding is federal, the salary split among these three resources must be documented by a personnel activity report or equivalent documentation. This documentation of time by resource will also serve as the documentation between goals.*

*A project director's salary is split among four state categorical funding sources. As discussed in "Salaries and Wages Charged to State Programs," page 905-11, the salary split among four state resources must be documented by an activity work sheet or personnel activity report. This documentation of time by resource will also serve as the documentation between goals.*

*A school psychologist, under contract to serve all students, spends time doing assessment testing for special education children with existing individualized education programs (IEPs). If the salary is partially paid with special education money, the documentation of salaries split among resources will also support the split among goals. If the psychologist is paid solely with state unrestricted money but the LEA wishes to directly charge this cost among goals, then those charges must be supported by time reports, calendars, or other documentation substantiating the actual time spent on the multiple goals.*

To recap, salaries and wages charged to a specific goal require supporting documentation indicating how the costs relate to the goal. For federal funds or state restricted funds, personnel activity reports or activity work sheets are generally necessary. For state unrestricted funds charged to a specific goal, the supporting documentation should be consistent and verifiable, such as costs documented to a goal by identification with a position in the personnel/payroll system, an individual's contract, or a class schedule with assigned student enrollment.

If supporting documentation is not available for support costs charged to activities (functions) other than instruction, ancillary services, and community services, the costs should be charged as Goal 0000, Undistributed, and subsequently distributed to specific goals on the basis of appropriate program cost allocation factors (see "Allocating Support Costs Using Allocation Factors," page 910-5).

### **Distribution of Costs Based on Activity Work Sheets**

The monthly time accounting documents (personnel activity reports, activity work sheets, time cards) detail the percent of time employees spent on each activity and become the basis for the distribution of costs. In some instances the monthly documents support the charging of costs directly to programs during the year; in other instances the documents are used to periodically distribute costs to programs.

When state funds are involved, the distribution of costs to the specific programs or cost objectives may be done on a schedule that best meets local needs (e.g., monthly, quarterly, at the first or second interim budget reporting periods, or at some other periodic interval). To determine the distribution of costs, record the actual hours worked in each program or cost objective as reported on the time accounting documents. Determine a proration by computing a ratio of the time spent in each to the total time worked. Distribute the salaries and wages costs on the basis of the computed proration. The same proration will be applied to all costs associated with the activity, including the cost of associated clerical staff.

### **Cost Distributions in Lieu of Time Accounting**

The charging of salaries and wages to more than one goal usually requires documentation of the time spent in each goal. However, when salaries and wages paid from state unrestricted funds are charged, certain standardized distributions may be used in lieu of time accounting. These standard time distributions are applicable for use only when the positions are paid from state unrestricted funds.

*County Office of Education Services to School Districts.* County offices with staff performing similar activities within the areas of County Services to Districts and county office support services may charge costs as follows:

- 50 percent to Goal 8600, County Services to Districts
- 50 percent to Goal 0000, Undistributed

County offices with county board of education staff (Function 7100) performing similar activities within the areas of County Services to Districts and county office general administrative support may charge costs as follows:

- 50 percent to Goal 8600, County Services to Districts
- 50 percent to Goal 0000, Undistributed

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*Assistant Superintendents.* The costs of assistant superintendents for instruction or equivalent positions having first-line responsibility for instructional administration and for participation in district/county policy may be charged as follows:

- 50 percent to Function 2100, Instructional Supervision and Administration
- 50 percent to Function 7200, Other General Administration

*Small School Districts and Charter Schools.* Small school districts and charter schools with one person performing the functions of both the principal and the superintendent may charge costs as follows:

- 70 percent to Function 2700, School Administration
- 30 percent to Function 7100, Board and Superintendent

Small school districts and charter schools with staff performing support duties for both school administration and business office administration may charge costs as follows:

- 70 percent to Function 2700, School Administration
- 30 percent to Function 7200, Other General Administration

### Documenting Nonpersonnel Costs to a Goal

Nonpersonnel costs charged to a specific goal should be substantiated by documentation that identifies the program(s) that received the service, supply, or equipment. The signature of a program administrator acknowledging receipt of the service, supply, or equipment on a document, such as an invoice, a requisition request, a purchase order, a receiving report, a contract, or an inventory listing of equipment, will validate the charge.

### Program Cost Reporting

Program cost reporting involves a series of work sheets that use general ledger data by goal and function, plus allocation factors (FTE, CU, PT) for the distribution of support costs to specific goals. These work sheets are largely automated in CDE's financial data collection software.



The following is a brief description of each work sheet:

- **Schedule of Direct-Charged Costs:** Summarizes, by goal and function, costs direct-charged to a goal.
- **Schedule of Allocation Factors for Support Costs:** Provides for entering allocation factors (full-time-equivalent teachers, classroom units, pupils transported) by goal for functions with costs in Goal 0000, Undistributed, or Goal 9000, Other Local Goals. The factors entered provide the basis for allocating support costs to programs.
- **Schedule of Allocated Support Costs:** Uses information from the allocation factor work sheet to assign a proportionate share of costs in goals 0000 and 9000 to each goal that has factors.
- **Schedule of Central Administration Costs:** Summarizes central administration costs (CAC) and shows the ratio, expressed as a percentage, of CAC costs to non-central administration costs. This CAC ratio is similar but not identical to an LEA's indirect cost rate (see Procedure 915).
- **Schedule of Other Costs:** Summarizes food service, enterprise, facilities acquisition and construction, and other outgo function costs, which for program cost accounting purposes are not associated with a particular goal.
- **The Program Cost Report:** Compiles information from the previous schedules to display total General Fund (Fund 01) costs by goal and category (e.g., direct-charged, allocated support, central administration). Also includes an "other" costs section.

## **Summary of Program Cost Guidelines**

The following are summarized guidelines that show for each group of functions the program cost category, guidelines for charging to goals, and program cost allocation rules.

### **Function and Title**

#### **1000–1999 Instruction**

- Direct instructional cost.
- Must be charged directly to a specific goal; may not be charged to Goal 0000, Undistributed; Special Education instruction functions may not be charged to Goal 5001, Special Education—Unspecified.
- Costs may not be allocated.

#### **2100–2999 Instruction-Related Services**

2100 Supervision of Instruction

2420 Instructional Library, Media, and Technology

2490 Other Instructional Resources

- Support cost.
- May be charged directly to a specific goal when documentation exists; or may be accumulated in Goal 0000, Undistributed.
- May be reclassified to a specific goal or more appropriate function when documentation exists.
- Allocation basis is FTE (full-time-equivalent teachers).

2700 School Administration

- Support cost.
- May be charged directly to a specific goal when documentation exists and the school site offers only one type of program; or may be accumulated in Goal 0000, Undistributed.
- Allocation basis is FTE (full-time-equivalent teachers).

#### **3000–3999 Pupil Services**

3110 Guidance and Counseling Services

3120 Psychological Services

3130 Attendance and Social Work Services

3140 Health Services

3150 Speech Pathology and Audiology Services

3160 Pupil Testing Services

- Support cost.
- May be charged directly to a specific goal when documentation exists; or may be accumulated in Goal 0000, Undistributed.

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### **Function and Title**

- May be reclassified to a specific goal or more appropriate function when documentation exists.
- Allocation basis is FTE (full-time-equivalent teachers).

#### **3600 Pupil Transportation**

- Support cost.
- May be charged directly to a specific goal when documentation exists; or may be accumulated in Goal 0000, Undistributed.
- May be reclassified to a specific goal or more appropriate function when documentation exists.
- Allocation basis is PT (pupils transported).

#### **3700 Food Services**

- "Other" cost.
- Generally charged to a specific goal if proper documentation exists; otherwise, costs are accumulated in Goal 0000, Undistributed.
- Costs may not be allocated.

#### **3900 Other Pupil Services**

- Support cost.
- May be charged directly to a specific goal when documentation exists; or may be accumulated in Goal 0000, Undistributed.
- May be reclassified to a specific goal or more appropriate function when documentation exists.
- Allocation basis is FTE (full-time-equivalent teachers).

### **4000-4999 Ancillary Services**

- Direct instructional cost.
- Must be charged directly to one of the following goals: 1110–Regular Education; 3100–Alternative Schools; 3200–Continuation Schools; 3400–Opportunity Schools; 3700–Specialized Secondary Programs; 7100–Nonagency.
- Costs may not be allocated.

### **5000–5999 Community Services**

- Direct instructional cost.
- Must be charged directly to one of the following goals: 7100–Nonagency; 8100–Community Services; 8500–Child Care and Development Services.
- Costs may not be allocated.

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### Function and Title

#### **6000–6999 Enterprise**

- "Other" cost.
- Costs are accumulated in Goal 0000, Undistributed.
- Costs may not be allocated.

#### **7000–7999 General Administration**

7100 Board and Superintendent  
7200 Other General Administration  
7700 Centralized Data Processing

- Central administration cost.
- Accumulated in Goal 0000, Undistributed.
- Distributed proportionately to programs on the basis of the total amount of direct costs (i.e., direct-charged together with allocated) in each goal.

#### **8000–8999 Plant Services**

8100 Plant Maintenance and Operations  
8700 Facilities Rents and Leases

- Support cost.
- May be charged directly to a specific goal when documentation exists; or may be accumulated in Goal 0000, Undistributed.
- May be reclassified to a specific goal or more appropriate function when documentation exists.
- Allocation basis is CU (classroom units).

8500 Facilities Acquisition and Construction

- "Other" cost.
- Generally accumulated in Goal 0000, Undistributed.
- Costs may not be allocated.

#### **9000–9999 Other Outgo**

9100 Debt Service  
9200 Transfers Between Agencies  
9300 Interfund Transfers

- "Other" cost.
- Generally accumulated in Goal 0000, Undistributed.
- Costs may not be allocated.

**C**osts of an LEA can be categorized as direct or indirect. A cost's related activity (e.g., instruction, school administration, pupil transportation, fiscal services) rather than its type (e.g., salaries, benefits, books, supplies) is what determines if it is a direct or indirect cost. Although direct costs can be identified with a particular instruction or instruction-related grant, contract, or function (activity), indirect costs are more global in nature.

Indirect costs are those costs of general management that are agencywide. General management costs consist of expenditures for administrative activities necessary for the general operation of the LEA (e.g., accounting, budgeting, payroll preparation, personnel management, purchasing, centralized data processing). The standardized method for distributing these indirect costs to programs is referred to as the *indirect cost rate*.

The indirect cost rate process in California is based on the California Department of Education's (CDE's) federally approved indirect cost plan for K–12 local educational agencies (LEAs), which include school districts, joint powers agencies, county offices of education, and charter schools. California's plan includes specifics on indirect cost components, including indirect costs, base costs, and the carry-forward adjustment.

The United States Department of Education has approved the fixed-with-carry-forward restricted rate methodology for calculating indirect cost rates for California LEAs. CDE has been delegated authority to calculate and approve indirect cost rates annually for LEAs. The approved indirect cost rate provides LEAs with a standardized way to recover indirect costs from federal and state programs without having to time-account for the general administrative support provided to each program.

## **Components of the Indirect Cost Rate Calculation**

In simple terms, an indirect cost rate is determined by dividing an agency's indirect costs by the majority of its other expenditures, or base costs. However, the realities of the calculation are much more complex. Compliance with federal indirect cost guidelines requires that specific rules must be followed when categorizing expenditures as indirect or base costs. Fortunately for California, the majority of these rules are built into the function code within the standardized account code structure.

An LEA's general ledger data, in combination with a minimal amount of supplemental data, are used to categorize the LEA's expenditures as indirect costs, base costs, or excluded costs. The indirect costs become the numerator of the calculation, and the base costs are the denominator. Certain costs, such as debt service and facility construction, are excluded entirely from the calculation.

### **Numerator of the Calculation**

The numerator of the indirect cost rate calculation—the indirect cost pool—is the cornerstone of the calculation. Costs in the pool come from the general fund and the charter school special revenue and/or charter school enterprise fund. There are three components to the numerator: indirect costs, general administration's share of certain plant services costs (e.g., maintenance and operations, facilities rents and leases), and the carry-forward adjustment.

**Indirect costs** consist of agencywide expenditures for general management (administrative) activities that are not readily identifiable with a particular program but are necessary for the overall operation of the LEA (e.g., accounting, budgeting, payroll preparation, personnel management, purchasing, warehousing, centralized data processing). *Note:* Pursuant to federal guidelines, most of the costs of the school board and superintendent are excluded from indirect costs and are instead categorized as base costs.

**Certain plant services costs** (e.g., heating, lighting, custodial services) are also included in the indirect cost pool but only the portion applicable to the general administrative offices. (See "Supplemental Data" on page 915-3 for further information on determining the administrative portion of plant services costs.)

**The carry-forward adjustment** is an after-the-fact correction for the difference between the indirect cost rate approved for use in a given year and the actual percentage (amount) of indirect costs incurred in that year. The carry-forward adjustment eliminates the need for LEAs to file amended federal reports when their actual indirect costs vary from estimated indirect costs. (See "Calculating the Rate" beginning on page 915-4 for an example that illustrates the use of the carry-forward adjustment.)

### **Denominator of the Calculation**

Once indirect costs have been identified, base costs are almost all of the remaining general fund costs of the LEA except for a few costs that are excluded entirely from the calculation. Examples of costs included in the base are those for instructional salaries and benefits, program supplies, contracts for instructional and support services, most board and superintendent services, and the majority of plant maintenance and operations and facilities rents and leases. Examples of costs excluded from the base are subagreements for services, debt service, facility construction, and capitalized equipment.

Besides costs of the general fund, base costs include similar expenditures from five special revenue funds (charter schools, adult education, cafeteria, child development, and foundation), the foundation permanent fund, and two enterprise funds (charter schools and cafeteria) because the activities in these funds generally benefit on an ongoing basis from the services provided by the LEA's general administrative offices. Other governmental funds (e.g., deferred maintenance, capital facilities), proprietary funds other than cafeteria, and fiduciary funds fall under the category of "excluded" costs and are not part of the base costs.

### **Supplemental Data**

In certain circumstances a minimal amount of supplemental data may be necessary to capture all indirect costs and fully comply with federal indirect cost guidelines.

**Percent of administrative salaries and benefits.** To ensure that LEAs use a standardized method of attributing facility costs associated with the general administrative offices, a "percent of administrative salaries and benefits" is used in the indirect cost rate calculation. This ratio of salaries and benefits for administration is used as proxy for the ratio of space utilized by administration, which spares LEAs the necessity of annually calculating the space utilized by various activities.

When the ratio is calculated, an adjustment may be required in those occasional circumstances where costs for administrative salaries and benefits are understated because certain administrative services, although performed on site, are provided by contract rather than by the LEA's own employees. If this occurs, LEAs may

provide supplemental data to adjust the ratio for costs relating to such services.

The ratio of administrative salaries and benefits to other salaries and benefits is then multiplied by the costs of plant maintenance and operations and facilities rents and leases to assign to the indirect cost pool an "administrative offices" share of these facility costs.

**Employment separation costs.** Some costs relating to employees' separation from service may have restrictions on how they can be charged (see Procedure 655, Employment Separation Costs).

"Normal" separation costs are unallowable as direct costs to federal programs and possibly to some state programs. If unallowable as direct costs, they are allowable as indirect costs. Normal separation costs that are unallowable as direct costs to a restricted program are charged to the same goal, function, and object as the employee's regular salary, but they are charged to an unrestricted resource. The LEA may then provide supplemental data to include these costs in the indirect cost pool.

"Abnormal or mass" separation costs, such as retirement incentives or contract buyouts, are unallowable either as direct costs or indirect costs to federal programs and possibly to some state programs. Abnormal or mass separation costs that are unallowable as direct costs to a restricted program are charged to the same goal, function, and object as the employee's regular salary, but they are charged to an unrestricted resource. Where an LEA has incurred abnormal or mass separation costs for employees charged to the indirect cost pool (Function 7200, Other General Administration, or Function 7700, Centralized Data Processing), the LEA must provide supplemental data to exclude these costs from the pool.

## **Calculating the Rate**

The actual calculation of the indirect cost rate includes components from both the current year plus the second prior year (two years before the current period). The rate based on these data will then be used in the second subsequent fiscal year (two years after the current period). This span of time is characteristic of the fixed-with-carry-forward type of rate calculation.



The following example uses 2007-08 as the current reporting period and illustrates the fiscal years affected by the indirect cost rate calculation:

In 2007-08, indirect costs are charged to programs using an indirect cost rate that was calculated and approved based on 2005-06 data. Any difference between the indirect costs that theoretically could be charged to programs in 2007-08 based on this approved rate and the actual indirect costs incurred in that year (i.e., the theoretical over or under recovery of indirect costs) is called a carry-forward adjustment. *Note:* This adjustment compares what theoretically could be charged based on the approved rate, not what was actually charged.

Then, based on the actual indirect costs and base costs incurred in 2007-08 and the carry-forward adjustment, a new indirect cost rate will be calculated for use in 2009-10.

An indirect cost rate work sheet (Form ICR) in CDE's year-end financial software automatically calculates LEA indirect cost information. (See page 915-10 for an excerpt from the work sheet.) The work sheet uses both general ledger data (for indirect and base costs) and supplemental "percent of administrative salaries and benefits" and "employment separation costs" data. These general ledger and supplemental data, along with certain second prior year indirect cost information, produce both the straight percentage of indirect costs (the indirect cost pool divided by base costs) and the fixed-with-carry-forward restricted indirect cost rate (the indirect cost pool, adjusted by the carry-forward calculation, then divided by base costs).

## **Using the Rate**

LEA indirect cost rates are submitted annually to CDE with the unaudited actual financial statements. The straight percentage of indirect costs is provided only for informational purposes and is not for use in recovering indirect costs from programs; the fixed-with-carry-forward restricted indirect cost rate is for use by LEAs to recover indirect costs on applicable federal and state programs.

A multiyear list of indirect cost rates is posted online annually at <http://www.cde.ca.gov/fg/ac/ic>, usually in early spring. LEA indirect cost rates may be used, as appropriate, to budget, allocate, and recover indirect costs for federal programs, grants, and other assistance governed by the Office of Management and Budget (OMB) Circular A-87, the *Education*

*Department General Administrative Regulations (EDGAR)*, and the *Code of Federal Regulations (CFR)*, Title 34. The rates may also be used for state programs, subject to any restrictions that may govern the individual programs.

### **Indirect Cost Rates for Individual Schools**

Individual schools may use an indirect cost rate not to exceed their school district's rate (or county office of education's rate, if applicable). An exception to this is charter schools, which have separate indirect cost rate guidelines. The Web site given earlier includes a list of rates for school districts and county offices of education that should be used by noncharter schools, together with a separate listing of charter school rates.

### **General Guidelines for Claiming Indirect Costs**

Although the specifics for charging indirect costs may vary by program, the following are general guidelines for using the indirect cost rate:

- **Budgeting.** An estimate of indirect costs may be used for budgeting purposes, but the claiming of indirect costs must be done using the approved rate and actual program expenditures. If a program has a set award amount, it is important to budget indirect costs that fit within the award amount rather than add them to the award amount. To do this, and assuming that none of the award amount will be spent on costs that do not qualify for indirect costs, divide the award amount by 1.xx, where xx equals the decimal equivalent of the approved indirect cost rate, then subtract the result from the original award amount to arrive at the amount of budgeted indirect costs. For example, using 8 percent as the approved rate and \$10,000 as the award amount, divide \$10,000 by 1.08, equaling \$9,259.26, and then subtract \$9,259.26 from \$10,000, equaling \$740.74, which is the amount that may be budgeted for indirect costs ( $\$9,259.26 + \$740.74 = \$10,000$ ).
- **Amount of Indirect Costs to Charge.** The maximum amount of indirect costs that may be charged in a year to an award is determined by multiplying the restricted indirect cost rate by the total direct costs of the award less any excluded costs, such as subagreements for services, capital outlay, other outgo, and other distorting or unallowable costs. In terms of SACS, this equates to totaling the program expenditures in objects 1000–5999, except 5100, and multiplying that total by the indirect cost rate approved

for use with the program. Expenditures in objects 5100, 6000, and 7000 are excluded when indirect costs are calculated or claimed because they are generally one-time expenditures or are distorting in nature.

LEAs have the option of charging less than the approved rate when recovering indirect costs. However, whether the approved rate or a lesser rate is used, the fixed-with-carry-forward adjustment is calculated using the LEA's approved rate.

- **Program Limitations on Charging Indirect Costs.** The indirect cost rate provides a starting point for charging indirect costs to a program. Funding applications or award letters should be consulted to determine whether programs limit or prohibit the claiming of indirect costs. Some of the more common limitations include:
  1. Limiting the indirect cost rate to the lesser of the LEA's approved rate or a predetermined capped rate
  2. Having an "administrative cap" that limits a combination of direct administrative costs and indirect costs
  3. Not allowing indirect costs (i.e., requiring that the entire award amount be spent on direct costs)

As a help in identifying the indirect cost rules for most programs, a SACS resource code query system is available on the Internet at <http://www.cde.ca.gov/fg/ac/ac/ap/querybyresource.asp>. The data provided for each resource code (i.e., funding source) include the general guidelines for claiming indirect costs.

- **Administrative Cost Caps.** Indirect costs are usually a subset of the broader category of administrative costs. A program that has an administrative cost cap should be reviewed to determine whether the cap encompasses both direct administrative costs (e.g., salaries of program administrators, costs of program monitoring and preparing program plans) and indirect costs (e.g., personnel/human resources, accounting, and procurement). For example, if an LEA claims indirect costs for a program that has an administrative cap of 15 percent and the LEA has already spent 11 percent on direct administrative costs, then it can claim only 4 percent for indirect costs even if the approved indirect cost rate is higher than 4 percent.
- **Multiple-Year Awards.** For program awards that cover more than one year, a single rate may not be used to recover indirect costs for

the entire award; the indirect cost rate must be the rate approved for each year.

- **Qualifying Funds.** The indirect cost rate is appropriate for use with only those operating funds and costs that are part of the calculation. For instance, costs in objects 1000–5999, except 5100, in Fund 01 (general), funds 09 and 62 (charter schools), Fund 11 (adult education), Fund 12 (child development), funds 13 and 61 (cafeteria), and funds 19 and 57 (foundation) are part of the indirect cost rate calculation; therefore, expenditures in these fund and object combinations may be considered when indirect costs are charged. Costs in objects that are excluded from the calculation of the rate (e.g., subagreements for services, capital outlay, other outgo) and in funds not included in the calculation should not have indirect costs charged against them.

### **Indirect, Central Administration, and Program Administration Costs**

For California LEAs, three cost accounting concepts are similar but not identical: indirect costs, central administration costs, and overall program administrative costs.

- **Indirect costs**, which can be seen in the indirect cost rate calculation, include costs of agencywide accounting, budgeting, payroll preparation, personnel management, purchasing, warehousing, and centralized data processing services, together with the portion of plant maintenance and operations and facilities rents and leases spent in support of indirect cost activities (i.e., general administration offices).
- **Central administration costs** are a component of program cost accounting and include indirect costs, less the maintenance and operations costs, plus costs for the school board and superintendent.
- **Overall administrative costs of a program**, in the context of indirect costs or administrative cost caps, generally refer to indirect costs charged to the program together with any administrative costs direct-charged to the program (e.g., salaries of program administrators, costs of program monitoring and preparing program plans). However, individual programs may have different definitions of administrative costs. There is currently no single definition that applies to all programs.

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## Procedure 915    Indirect Cost Rate

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Because there are differences in the three cost pools, percentages or ratios calculated from them will differ. Although these differences could be minor, the three cost pools have unique purposes and are not interchangeable.

### Transferring Indirect/Administrative Costs

Specific function and object codes exist in the standardized account code structure to aid in tracking the transfer of indirect costs between programs:

- Function 7210, General Administration Cost Transfers
- Object 7310, Transfers of Indirect Costs
- Object 7350, Transfers of Indirect Costs—Interfund

The following sample transaction (offsetting entries to cash in each resource are assumed) shows indirect costs being transferred within the general fund to Resource 3010 (NCLB, Title I):

Dr	01-3010-0-1110-7210-7310-0000	\$4,500	
Cr	01-0000-0-0000-7210-7310-0000		\$4,500

In the case where a program is authorized to charge for administrative fees on the basis of something other than the indirect cost rate, transfers should be done by using the following codes:

- Function 7210, General Administration Cost Transfers
- Object 7370, Transfers of Direct Support Costs
- Object 7380, Transfers of Direct Support Costs—Interfund

For example, administrative costs incurred in the general fund to calculate and collect developer's fees are an allowable use of developer fees. These costs, which shall not exceed 3 percent of the fees collected during the period (*Education Code* Section 17620[a][1][c][5]), should be transferred to Fund 25, Capital Facilities Fund:

Dr	25-0000-0-0000-7210-7380-0000	\$9,000	
Cr	01-0000-0-0000-7210-7380-0000		\$9,000

*Note:* Administrative costs transferred using Object 7380 do not remain a part of the indirect cost pool.

For further examples involving the transfer of indirect costs, refer to Procedure 615.

**Indirect Cost Rate Work Sheet****Indirect Cost Rate Calculation Based on the 2007-08 Reporting Period  
(Funds 01, 09 and 62, unless indicated otherwise)****A. Indirect Costs (numerator)**

1. Other General Administration – (Functions 7200–7600, Objects 1000–5999 and 7380, less portion on line B8 charged to restricted resources or specific goals)
2. Centralized Data Processing – (Function 7700, Objects 1000–5999, less portion on line B9 charged to restricted resources or specific goals)
3. External Financial Audit – Single Audit (Function 7190, Objects 5000–5999)
4. Staff Relations and Negotiations (Function 7120, Objects 1000–5999)
- 5a. Employment Separation Costs – add normal separation costs charged to Resources 0000–1999 for restricted positions, from line B12a
- 5b. Employment Separation Costs – subtract abnormal separation costs charged to Functions 7200–7700 and included in line A1 or A4
6. Plant Maintenance and Operations – only indirect portion (Functions 8100–8400, Objects 1000–5999, except 5100, times the percentage of total salaries and benefits attributable to other general administration and centralized data processing)
7. Facilities Rents and Leases – only indirect portion (Function 8700, Resources 0000–1999, Objects 1000–5999, times the percentage of total salaries and benefits attributable to other general administration and centralized data processing)
8. Total Indirect Costs (sum of lines A1 through A7)
9. Carry-Forward Adjustment (line A8 plus 2005-06 carry-forward adjustment, minus [2007-08 approved indirect cost rate times line B17])
10. Total Adjusted Indirect Costs (line A8 plus line A9)

**B. Base Costs (denominator)**

1. Instruction (Functions 1000–1999, Objects 1000–5999, except 5100)
2. Instruction-Related Services (Functions 2000–2999, Objects 1000–5999, except 5100)
3. Pupil Services (Functions 3000–3999, Objects 1000–5999, except 5100)
4. Ancillary Services (Functions 4000–4999, Objects 1000–5999, except 5100)
5. Community Services (Functions 5000–5999, Objects 1000–5999, except 5100)
6. Enterprise (Function 6000, Objects 1000–5999, except 5100)

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7. Board and Superintendent (Functions 7100–7180, except 7120, Objects 1000–5999)
- 7a. External Financial Audit—Other (Function 7191, Objects 5000–5999)
8. Other General Administration—portion charged to restricted resources or specific goals (Functions 7200–7600, Resources 2000–9999, Objects 1000–5999 and 7380; plus Functions 7200–7600, Resources 0000–1999, Goals 0001–8999, Objects 1000–5999 and 7380)
9. Centralized Data Processing—portion charged to restricted resources or specific goals (Function 7700, Resources 2000–9999, Objects 1000–5999, plus Function 7700, Resources 0000–1999, Goals 0001–8999, Objects 1000–5999)
10. Plant Maintenance and Operations—all except indirect portion (Functions 8100–8400, Objects 1000–5999, except 5100, minus line A6)
11. Facilities Rents and Leases—all except indirect portion (Function 8700, Resources 0000–1999, Objects 1000–5999, except 5100, minus line A7; plus Function 8700, Resources 2000–9999, Objects 1000–5999, except 5100)
- 12a. Employment Separation Costs – reclassification from "base" to "indirect" (subtract normal separation costs charged to Resources 0000–1999 for restricted positions and included in lines B1 to B10)
- 12b. Employment Separation Costs – reclassification from "indirect" to "base" (add abnormal separation costs charged to Functions 7200–7700 from line A5b)
13. Adult Education (Fund 11, Functions 1000–6999, 8100–8400, 8700, Objects 1000–5999, except 5100)
14. Child Development (Fund 12, Functions 1000–6999, 8100–8400, 8700, Objects 1000–5999, except 5100)
15. Cafeteria (Funds 13 and 61, Functions 1000–6999, 8100–8400, 8700, Objects 1000–5999, except 5100)
16. Foundation (Funds 19 and 57, Functions 1000–6999, 8100–8400, 8700, Objects 1000–5999, except 5100)
17. Total Base Costs (sum of lines B1 through B16)

**C. Straight Indirect Cost Percentage** (before carry-forward adjustment) (line A8 / line B17)

**D. Indirect Cost Rate** (fixed with carry-forward rate for use in 2009-10, subject to CDE approval) (line A10 / line B17)

*Note:* The following expenditures are excluded from the indirect cost rate calculation and therefore cannot have indirect costs charged against them when indirect costs are claimed: Subagreements for Services (Object 5100), Capital Outlay (Objects 6000–6999), Other Outgo (Objects 7000–7499), Other Financing Uses (Objects 7600–7699), Facilities Acquisition and Construction (Function 8500), and Debt Service, Transfers Between Agencies, and Interfund Transfers (Functions 9000–9999) (see page 915-5, Using the Rate).

## **Definitions of Indirect Cost Terms**

*Administrative costs.* Any costs, indirect or direct, that are administrative in nature and support the management of a program. Costs of program administration may encompass both direct costs (e.g., salaries of program administrators, costs of program monitoring and preparing program plans) and indirect costs (e.g., personnel/human resources, accounting, and procurement).

*Approved rate.* Same as *indirect cost rate*.

*Base costs.* Pool of direct costs from the general, charter schools, adult education, cafeteria, child development, and foundation funds, minus any cost categories considered one-time or distorting in nature, such as subagreements for services, major equipment purchases, facility construction, debt service, and transfers to other agencies.

*Carry-forward adjustment.* An adjustment used in calculating the indirect cost rate where the difference between the estimated indirect costs and the actual indirect costs is "carried forward." The adjustment takes into account (1) the LEA's approved indirect cost rate for the year; (2) the original carry-forward amount used to calculate that rate; and (3) that year's estimated indirect costs (i.e., base costs times the approved rate).

*Consistent cost treatment.* So that programs are not charged for similar services as both a direct cost and an indirect cost, costs incurred for the same purpose in like circumstances should be treated as only direct or only indirect. For example, staff members who provide services normally done by the business office should be charged to the indirect cost pool (Function 7200) even if they spend 100 percent of their time working on items for a particular program. This consistent cost treatment prevents that program from being charged for business office services as a direct cost and then again as an indirect cost. However, if staff members provide supplemental services above the level provided by the business office or if they provide services normally required of program managers, then this cost would normally be considered a project-related administration cost (Function 2150) rather than an indirect cost.

*Direct costs.* Expenditures identified with a specific goal or objective. In education, cost objectives are generally the instructional programs and services provided by the agency.

*Estimated indirect costs.* The amount of indirect costs arrived at by multiplying the base costs by the approved rate for that year.



*Excluded costs.* Cost categories considered for indirect cost purposes to be one-time or distorting in nature, including subagreements for services, capital outlay (sites, improvement of sites, buildings, improvement of buildings, new or major expansions of school libraries, capitalized equipment) and other outgo (tuition, transfers to other agencies, debt service, financing uses).

*Fixed-with-carry-forward.* For California LEAs, the restricted indirect cost rate is computed and "fixed" for a specific period on the basis of an estimate of that period's level of operations. Once the actual costs of that period are known, the difference between the estimated and actual indirect costs is "carried forward" as an adjustment to the new calculation.

*Form ICR.* A work sheet within CDE's year-end financial data collection software that calculates the LEA's percentage of indirect costs and its fixed-with-carry-forward indirect cost rate.

*Function code.* The field in the standardized account code structure that identifies a cost's general operational area and distinguishes whether it is an indirect or base cost.

*Indirect cost percentage.* A percentage arrived at by dividing the current period's indirect costs by the base costs.

*Indirect cost pool.* The indirect costs of the agency together with the portion of plant maintenance and operations and facilities rents and leases spent in support of indirect cost activities (i.e., general administration offices).

*Indirect cost rate (ICR).* An allocation technique used to distribute indirect costs to federal, state, and local programs. The indirect cost rate is the ratio (expressed as a percentage) of the adjusted indirect costs to the direct base costs. For California LEAs, the indirect cost rate represents a fixed-with-carry-forward restricted indirect cost rate used to recover indirect costs from federal and state programs.

*Indirect costs.* Agencywide general management costs not readily identifiable with a particular program but necessary for the overall operation of the agency (e.g., costs of accounting, budgeting, payroll preparation, personnel management, purchasing, warehousing, centralized data processing).

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## Procedure 915    Indirect Cost Rate

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*OMB Circular A-87.* The Office of Management and Budget (OMB) Circular A-87, titled *Cost Principles for State, Local and Indian Tribal Governments*. OMB Circular A-87 includes the general cost principles that govern California's indirect cost plan and process.

*Restricted rate.* Same as *indirect cost rate*.

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## Appendix B      Normal Balances of Balance Sheet Accounts

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### Chart of Accounts

		Normal Balance
	<b>Assets</b>	
9110	Cash in County Treasury.....	Dr
9111	Fair Value Adjustment to Cash in County Treasury .....	Dr
9120	Cash in Bank(s) .....	Dr
9130	Revolving Cash Account .....	Dr
9135	Cash with a Fiscal Agent/Trustee .....	Dr
9140	Cash Collections Awaiting Deposit .....	Dr
9150	Investments .....	Dr
9200	Accounts Receivable.....	Dr
9290	Due from Grantor Governments .....	Dr
9310	Due from Other Funds .....	Dr
9320	Stores.....	Dr
9330	Prepaid Expenditures (Expenses).....	Dr
9340	Other Current Assets .....	Dr
9410	Land .....	Dr
9420	Improvements of Sites .....	Dr
9425*	Accumulated Depreciation—Improvements of Sites.....	Dr
9430	Buildings .....	Dr
9435*	Accumulated Depreciation—Buildings .....	Dr
9440	Equipment .....	Dr
9445*	Accumulated Depreciation—Equipment .....	Dr
9450	Work in Progress.....	Dr
	<b>Liabilities</b>	
9500	Accounts Payable (Current Liabilities).....	Cr
9590	Due to Grantor Governments .....	Cr
9610	Due to Other Funds .....	Cr
9620	Due to Student Groups/Other Agencies.....	Cr
9640	Current Loans.....	Cr

\*Accumulated depreciation accounts are contra-asset accounts that reduce the carrying value of the capital assets to which they relate. Accumulated depreciation accounts may technically be reported either as debit accounts with negative balances or as credit accounts with positive balances. For clarity of presentation and consistency of LEA data statewide, accumulated depreciation accounts shall be reported as debit accounts with their credit balances displayed as negatives.

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## Appendix B      Normal Balances of Balance Sheet Accounts

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9650	Deferred Revenue .....	Cr
9661	General Obligation Bonds Payable .....	Cr
9662	State School Building Loans Payable .....	Cr
9664	Net OPEB Obligation.....	Cr
9665	Compensated Absences Payable .....	Cr
9666	Certificates of Participation (COPs) Payable .....	Cr
9667	Capital Leases Payable.....	Cr
9668	Lease Revenue Bonds Payable.....	Cr
9669	Other General Long-Term Debt.....	Cr

### **Fund Balance**

9711	Reserve for Revolving Cash .....	Cr
9712	Reserve for Stores .....	Cr
9713	Reserve for Prepaid Expenditures (Expenses) .....	Cr
9719	Reserve for All Other .....	Cr
9720	<i>Reserve for Encumbrances</i> .....	Cr
9730	General Reserve .....	Cr
9740	Legally Restricted Balance .....	Cr
9770	Designated for Economic Uncertainties.....	Cr
9775	Designated for the Unrealized Gains of Investments and Cash in County Treasury .....	Cr
9780	Other Designations.....	Cr
9790	Undesignated/Unappropriated .....	Cr
9791	Beginning Fund Balance .....	Cr
9793	Audit Adjustments .....	Cr
9795	Other Restatements .....	Cr

### **Budgetary Accounts**

9810	Estimated Revenue.....	Dr
9815	Estimated Other Financing Sources (Optional) .....	Dr
9820	Appropriations .....	Cr
9825	Estimated Other Financing Uses (Optional) .....	Cr
9830	Encumbrances .....	Dr

### **Control Accounts**

9840	Revenue.....	Cr
9845	Other Financing Sources (Optional) .....	Cr
9850	Expenditures.....	Dr
9855	Other Financing Uses (Optional) .....	Dr

### **Nonoperating Accounts**

9910	Suspense Clearing .....	Dr, Cr
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## Appendix D      Function Codes for Common Activities

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The following table lists many common activities and the function code(s) typically associated with each. Optional codes are *italicized*. The activities shown are intended as a guide rather than as a definitive list. It is important to be familiar with the function descriptions in Procedure 325 to ensure proper use of function codes.

Description	Typical Function(s)
Accounting—Agencywide	7200
Accounting—Administration of Instructional Special Projects	2100/2150
Adaptive Physical Education—Special Education	1190
Administration of Instruction	2100
Administration of Instructional Special Projects	2100/2150
Administrative Activities—Agencywide	7100 or 7200
Administrative Unit (AU) of a Multidistrict SELPA	2200
Alarm Systems	8100/8300
Ancillary Services	4000
Appraisal Services—Students	3110
Assistant Principal	2700
Assistant Superintendent—Agencywide	7100/7150
Assistant Superintendent—Business	7200
Assistant Superintendent—Instruction	2100
Assistive Services—Special Education	1190
Assistive Technology—Special Education	1130
Athletics—School-Sponsored (e.g., competition between schools)	4000/4200
Attendance Reporting—Agencywide	7200
Attendance Reporting—School	2700
Attendance Services—Improve Student Attendance	3130
Attendance Truancy Officer	3130
Audiology Services	3150
Audit—Annual Independent	7190 or 7191
Audit—Program Performance or Monitoring	2100/2150
Auditing—Internal	7200/7370
Auditors—External	7190 or 7191
Board of Education	7100/7110
Books—Materially expand library or stock new library	8500
Books and Other Reference Materials	Function of area requesting the purchase
Braille Services—Special Education	1130
Budget Monitoring—Program Specific (instruction-related)	2100/2150
Budgeting—Agencywide	7200
Buildings and Improvements of Buildings	8500

## Appendix D      Function Codes for Common Activities

Description	Typical Function(s)
Bus Driver Training and Certification	3600
Bus Driver	3600
Bus Maintenance Personnel	3600
Career Counseling	3110
Chief Business or Financial Officer	7200
Chief Executive Officer	7100/7150
Child Care—Community Services (e.g., day care center to assist working parents)	5000
Child Development—Preschool	1000
Co-curricular Activities—School-Sponsored (e.g., band, chorus, choir, speech)	4000/4100
Communications—Telephone lines, fax lines, pagers	2700 or 7200 (refer to Object 5900)
Communications—Agencywide data processing (e.g., connectivity to county data processing systems)	7700
Communications—Instruction related (e.g., Internet access, cable television)	1000, 2420 or 2700 (refer to Object 5900)
Community Relations	7100/7150
Community Services	5000
Community Services—Custodian (paid overtime or extra time for services performed entirely as a result of community services)	5000
Computer-assisted Instruction—Classroom, school networks, computer labs	1000 or 2420
Conference Fees—Staff Development	Normally employee's function
Counseling Services	3110
Credential Services	7200/7430
Curriculum Development	2100/2130
Curriculum Improvement	2100
Custodian	8100/8200
Custodian—Community Services (paid overtime or extra time for services performed entirely as a result of community services)	5000
Data Processing—Centralized (e.g., computer facility management, systems development, agencywide attendance applications, fiscal systems)	7700
Data Processing—Classroom- or Instruction-Related	1000 or 2420
Dental Services to Students	3140
Department Chairperson	2700
Deputy Superintendent—Agencywide	7100/7150
Director of Instructional Program (e.g., special education, bilingual education, or similar programs)	2100
Duplicating—Instructional Materials	1000–1999

## Appendix D      Function Codes for Common Activities

Description	Typical Function(s)
Duplicating—Program Specific (may be accumulated in Function 7200 then transferred, using Objects 5710/5750)	Use program function.
Duplicating, Printing, Publishing—Administrative Publications (e.g., annual reports, agencywide directories or bulletins)	7200/7550
Education Technological Services—Special Education	1190
Educational Television Instructional Programs	2420
Election Costs	7100/7110
Evaluate School Staff Members	2700
Field Trip Transportation (may be accumulated in Function 3600, then transferred using Objects 5710/5750)	1000–1999
Fiscal Services—Agencywide	7200
Food—Instruction Related (e.g., cooking class supplies, instructional rewards)	1000–1999
Food Services to Students	3700
Graduation Expenses	2700
Grant Procurement	7100/7150
Guidance Services	3110
Hall Monitoring	8100/8300
Health Services	3140
Hearing Screening	3140
Hearing Services (e.g., loss, function, impaired hearing)	3150
Home and Hospital Instruction—Regular Education	1000
Home and Hospital Instruction—Special Education	1130
Human Resources (e.g., recruitment, credential services, agencywide training for noninstructional staff)	7200/7400
Information Dissemination to Students (e.g., educational, occupational, personal, and social)	3110
In-house Instructional Staff Development	2100/2140
Instruction—Home and Hospital	1000 or 1130
Instruction—Special Education	1100–1199
Instruction—Teachers in the classroom and via alternate media (e.g., computer, television, correspondence, radio)	1000
Instructional Administration	2100
Instructional Administration—Special Projects (typically funded from a specific resource and requires project budget and audit)	2100/2150
Instructional Aide—Regular Education	1000
Instructional Aide—Special Education	1110–1130
Instructional Staff Development—In-house	2100/2140
Instructional Library	2420
Instructional Materials—Guidance of Teachers	2100
Instructional Media	2420

## Appendix D      Function Codes for Common Activities

<b>Description</b>	<b>Typical Function(s)</b>
Instructional Programs—Selecting, preparing, and making available to instructional staff television or computer-assisted services	2420
Instructional Research	2100/2120
Instructional Supervision	2100/2110
Instructional Technology	2420
Insurance—Buses	3600
Insurance—Driver Training Vehicle Insurance	1000
Insurance—Food Service Vehicles	3700
Insurance—General property and liability not covered elsewhere	7200
Insurance—Pupil	1000
Interpreter Services—Special Education	1130
Language and Speech—Special Education	1190
Language Disorders—Assess	3150
Language Services	3150
Legal – General Legal Counsel (e.g., interpret laws and statutes, general liability)	7100/7110
Legal – Directly Identifiable with an Activity (e.g., supervision of instruction, fiscal services, personnel/human resources services, capital projects)	Use activity function.
Medical Services to Students	3140
Negotiations (Contractual) and Staff Relations	7100/7120
Network Manager—Noninstructional Networks	7700
News Media—Dissemination of Educational Public Information	7100/7180
Nonpublic Agencies/Schools (NPA/S)—Special Education	1180
Noon-duty Personnel	1000
Nursing Services	3140
Orientation and Mobility Instruction—Special Education	1190
Other Specialized Instructional Services—Special Education	1190
Parent Counseling—Special Education	3110
Parent Participation—School Activities	2490/2495
Parent-Teacher Association (PTA) Meetings	5000
Payroll Services	7200/7340
Personnel Services	7200/7400
Photocopying—Administrative Publications (e.g., annual reports, agencywide directories or bulletins)	7200/7550
Photocopying—Instructional Materials	1000–1999
Photocopying—Program Specific (may be accumulated in Function 7200 then transferred, using Objects 5710/5750)	Use program function.
Placement Services—Students	3110
Plant Maintenance (e.g., repairing, restoring, renovating school property)	8100/8110



## Appendix D      Function Codes for Common Activities

<b>Description</b>	<b>Typical Function(s)</b>
Plant Operations (e.g., heating, lighting, power, grounds keeping, housekeeping)	8100/8200
Police Activities for School Functions	8100/8300
Policy Administration—Agencywide	7100 or 7200
Principal	2700
Printing, Publishing and Duplicating—Administrative Publications (e.g., annual reports, agencywide directories or bulletins)	7200/7550
Printing, Publishing and Duplicating—Instructional Materials	1000–1999
Program Manager—Instruction Related	2100
Psychological Services	3120
Public Information	7100/7180
Public Relations	7100/7150
Purchasing—Activities to purchase supplies, furniture, equipment	7200/7530
Recreation Program—Community	5000
Renovating School Property	8100/8110
Repairing and Restoring School Property	8100/8110
Retiree Benefits (Allocate in proportion to total salaries or total full-time equivalent positions in all activities as described in Objects 3701/3702, or direct-charge as described in Objects 3751/3752.)	Various functions
Salary Stipend—Staff Development	Employee's function
Scholarship Payments	5000
School Activities—Coordination	2700
School Administration	2700
School Records—Supervise and Maintain	2700
School-Sponsored Athletics (e.g., competition between schools)	4000/4200
School-Sponsored Cocurricular Activities	4000/4100
Secretary—School	2700
Secretary—Superintendent or Governing Board	7100
Security	8100/8300
Sign Language Service—Special Education	1190
Social Work Services	3130
Special Education—Adaptive Physical Education	1190
Special Education—Assistive Services	1190
Special Education—Assistive Technology	1130
Special Education—Braille Services	1130
Special Education—Education Technological Services	1190
Special Education—Home and Hospital Instruction	1130
Special Education—Instructional Aides	1130
Special Education—Interpreter Services	1130
Special Education—Language and Speech	1190

## Appendix D      Function Codes for Common Activities

Description	Typical Function(s)
Special Education—Nonpublic Agencies/Schools (NPA/S)	1180
Special Education—Orientation and Mobility Instruction	1190
Special Education—Other Specialized Instructional Services	1190
Special Education—Resource Specialist Instruction	1120
Special Education—Separate Classes	1110
Special Education—Sign Language Service	1190
Special Education—Supplemental aids and services in regular classrooms	1130
Special Education—Transportation (specialized services specified in IEP)	3600
Special Education—Vision Services	1190
Special Education—Vocational Education Training	1190
Special Education Instruction	1100–1199
Special Project—Instructional Administration (typically funded from a specific resource and requires project budget and audit)	2100/2150
Special Project—Support Staff for Instructional Administration (includes administrative services beyond general level provided by the business office)	2100/2150
Speech Disorders—Assess	3150
Speech Pathology	3150
Staff Development and Training—Conference Fees	Employee's function
Staff Development and Training—Instructional (e.g., techniques of instruction, how children learn)	2100
Staff Development and Training—Noninstructional Staff (developing agencywide programs not related to instructional staff or programs)	7200/7400
Staff Development and Training—Salary Stipend	Employee's function
Staff Development Consultant—Work with teachers outside the classroom	2100/2140
Staff Evaluations—School	2700
Staff Relations and Contractual Negotiations	7100/7120
Superintendent	7100/7150
Supervisor of Instructional Program (e.g., special education, bilingual education, or similar programs)	2100
Technology—Instructional	2420
Telephone Lines—Communications	2700 or 7200 (refer to Object 5900)
Telephone Lines—Centralized Data Processing	7700
Telephone Lines—Instructional Internet Access	1000 or 2420
Testing—Classroom teachers administering tests to students	1000–1999
Testing—Coordinate standardized student testing	3160
Testing—Psychological Services	3120
Transportation—Home to School	3600
Transportation—Other Miles (e.g., field trips, between school sites,	1000–1999

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## Appendix D      Function Codes for Common Activities

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Description	Typical Function(s)
summer school hours) (may be accumulated in Function 3600, then transferred using Objects 5710/5750)	
Transportation—Special Education (specialized services specified in IEP)	3600
Truancy Officer—Attendance	3130
Tuition—Outgoing to another agency	9200
Utilities (e.g., heat, light, power, garbage) (See Communications for telephones.)	8100/8200
Vision Screening	3140
Vision Services—Special Education	1190
Vocational Education Training—Special Education	1190
Warehousing and Distribution	7200/7540
Xeroxing—Administrative Publications (e.g., annual reports, agencywide directories or bulletins)	7200/7550
Xeroxing—Instructional Materials	1000–1999
Xeroxing—Program Specific (may be accumulated in Function 7200 then transferred, using Objects 5710/5750)	Use program function.

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